

California Regulatory Notice Register

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The California Regulatory Notice Register is an official state publication of the Office of Administrative Law containing notices of proposed regulatory actions by state regulatory agencies to adopt, amend or repeal regulations contained in the California Code of Regulations. The effective period of a notice of proposed regulatory action by a state agency in the California Regulatory Notice Register shall not exceed one year [Government Code § 11346.4(b)]. It is suggested, therefore, that issues of the California Regulatory Notice Register be retained for a minimum of 18 months.

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PROPOSED ACTION ON REGULATIONS

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TITLE 2. FAIR POLITICAL PRACTICES COMMISSION

NOTICE IS HEREBY GIVEN that the Fair Political Practices Commission, pursuant to the authority vested in it by Sections 82011, 87303, and 87304 of the Government Code to review proposed conflict of interest codes, will review the proposed/amended conflict of interest codes of the following:

CONFLICT OF INTEREST CODES

ADOPTION

MULTI-COUNTY: COMMUNITY COLLEGE INSURANCE GROUP

AMENDMENT

STATE: CALIFORNIA DEPARTMENT

OF CORRECTIONS AND

REHABILITATION

MULTI-COUNTY: FRESNO COUNTY FIRE

DISTRICT

SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE

DISTRICT

SACRAMENTO MUNICIPAL UTILITY DISTRICT

SACRAMENTO COGENERATION AUTHORITY

NORTHERN CALIFORNIA GAS AUTHORITY NUMBER 1

SACRAMENTO MUNICIPAL UTILITY DISTRICT FINANCING AUTHORITY

CENTRAL VALLEY FINANCING AUTHORITY

SACRAMENTO POWER AUTHORITY

A written comment period has been established commencing on March 6, 2009, and closing on April 20, 2009. Written comments should be directed to the Fair Political Practices Commission, Attention Ivy Branaman, 428 J Street, Suite 620, Sacramento, California 95814.

At the end of the 45–day comment period, the proposed conflict of interest code(s) will be submitted to the Commission's Executive Director for his review, unless any interested person or his or her duly authorized representative requests, no later than 15 days prior to the close of the written comment period, a public hearing before the full Commission. If a public hearing is requested, the proposed code(s) will be submitted to the Commission for review.

The Executive Director of the Commission will review the above–referenced conflict of interest code(s), proposed pursuant to Government Code Section 87300, which designate, pursuant to Government Code Section 87302, employees who must disclose certain investments, interests in real property and income.

The Executive Director of the Commission, upon his or its own motion or at the request of any interested person, will approve, or revise and approve, or return the proposed code(s) to the agency for revision and re—submission within 60 days without further notice.

Any interested person may present statements, arguments or comments, in writing to the Executive Director of the Commission, relative to review of the proposed conflict of interest code(s). Any written comments must be received no later than **April 20, 2009**. If a public hearing is to be held, oral comments may be presented to the Commission at the hearing.

COST TO LOCAL AGENCIES

There shall be no reimbursement for any new or increased costs to local government which may result from compliance with these codes because these are not new programs mandated on local agencies by the codes since the requirements described herein were mandated by the Political Reform Act of 1974. Therefore, they are not "costs mandated by the state" as defined in Government Code Section 17514.

EFFECT ON HOUSING COSTS AND BUSINESSES

Compliance with the codes has no potential effect on housing costs or on private persons, businesses or small businesses.

AUTHORITY

Government Code Sections 82011, 87303 and 87304 provide that the Fair Political Practices Commission as the code reviewing body for the above conflict of interest codes shall approve codes as submitted, revise the proposed code and approve it as revised, or return the proposed code for revision and re–submission.

REFERENCE

Government Code Sections 87300 and 87306 provide that agencies shall adopt and promulgate conflict of interest codes pursuant to the Political Reform Act and amend their codes when change is necessitated by changed circumstances.

CONTACT

Any inquiries concerning the proposed conflict of interest code(s) should be made to Ivy Branaman, Fair Political Practices Commission, 428 J Street, Suite 620, Sacramento, California 95814, telephone (916) 322–5660.

AVAILABILITY OF PROPOSED CONFLICT OF INTEREST CODES

Copies of the proposed conflict of interest codes may be obtained from the Commission offices or the respective agency. Requests for copies from the Commission should be made to Ivy Branaman, Fair Political Practices Commission, 428 J Street, Suite 620, Sacramento, California 95814, telephone (916) 322–5660.

TITLE 4. CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

NOTICE OF PROPOSED RULEMAKING ACTION

Sections 7030 to 7050 Title 4, Division 10 California Code of Regulations

NOTICE IS HEREBY GIVEN that the California Health Facilities Financing Authority (the "Authority"), organized pursuant to Section 15431 of the Government Code and operating pursuant to Sections 1179.50 through 1179.72 of the Health and Safety Code (the "Act"), proposes to amend the proposed regulations described below relating to the Children's Hospi-

tal Program after considering all comments, objections and recommendations regarding the proposed action. Any person interested may present statement or arguments relevant to the proposed action to the attention of the Contact Person as listed in this Notice no later than 5:00 p.m. on Monday,______, 2009. The CHFFA Board, upon its own motion or at the instance of any interested party, may thereafter adopt the proposal substantially as described below or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person(s) designated in this notice as Contact Person and will be mailed to those persons who submit statements related to this proposal or who have required notification of any changes to the proposal.

PROPOSED REGULATORY ACTION

The Authority proposes to amend Section 7030 through Section 7050 of Chapter 2 of Division 10 of Title 4 of the California Code of Regulations (the "Regulations"). The Regulations implement the Authority's responsibilities related to the Children's Hospital Program established pursuant to Part 6 (commencing with Section 1179.51) of Division 1 of the Health and Safety Code.

AUTHORITY AND REFERENCE

Authority: Sections 1179.22, 1179.24 and 1179.32 of the Health and Safety Code.

Reference: Division 1, Sections 1179.10 through 1179.43 of the Health and Safety Code. These regulations implement, interpret and make specific Sections 1179.10 through 1179.43 of the Health and Safety Code (the Children's Hospital Bond Act of 2004 (Proposition 61)) as approved by voters on November 2, 2004.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

The California Health Facilities Financing Authority (the "Authority") is organized and operating pursuant to Sections 15430 through 15462.5 of the California Government Code. The Children's Hospital Bond Act of 2004 (the "Act"), passed by the voters on November 2, 2004 charged the Authority with implementing a \$750 million grant program funded by general obligation bonds for California children's hospitals (the "Program"). With the passage of the Act, the voters recognized the need to increase and expand the health care services provided by these hospitals to California's critically ill children. The Authority seeks to amend Sec-

tions 7030 through 7050, to the Regulations in order to implement, interpret, and make specific Division 1, Section 1179.10 of the Health and Safety Code.

Existing law authorizes the Authority to award grants to an eligible participating general acute care hospital for purposes of financing capital outlay projects and requires the Authority to develop evaluation criteria and a process for awarding grants. Existing law requires the Authority to develop a written application for the awarding of grants within 90 days of the adoption of existing law. It also requires grants to be awarded within 60 days from receipt of an application for funds. Existing law requires the Authority to take into account several specified factors when selecting grantees and determining grant amounts.

The amendments to the Regulations are intended to clarify the requirements of the Program.

OTHER MATTERS PRESCRIBED BY STATUTES APPLICABLE TO THE SPECIFIC STATE AGENCY OR TO ANY SPECIFIC REGULATION OR CLASS OF REGULATIONS

No other matters prescribed by statute are applicable to the Authority or to any specific regulation or class of regulations pursuant to 11346.5(a)(4) of the Government Code pertaining to the proposed regulations or to the Authority.

MANDATE ON LOCAL AGENCIES OR SCHOOL DISTRICTS

The Authority has determined that the Regulations do not impose a mandate on local agencies or school districts.

FISCAL IMPACT

The Executive Director of the Authority has determined that the regulations do not impose any additional cost or savings requiring reimbursement under Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the California Government Code, any other non–discretionary cost or savings to any local agency or any cost or savings in federal funding to the State. Pursuant to the State Administrative Manual Section 6680, a Fiscal Impact Statement (Form 399) is submitted without the signature of a Project Budget Manager at the Department of Finance, as there are no fiscal impact disclosures required by State Administrative Manual Sections 6600–6670. There will be no cost or savings to any State Agency pursuant to Government Code Section 11346.1(b) or 11346.5(a)(6).

INITIAL DETERMINATION REGARDING ANY SIGNIFICANT, STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS

The Authority has made an initial determination that the Regulations will not have any significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

EFFECT ON SMALL BUSINESSES

The Authority has determined that the adoption of the Regulations will not affect small business. Its purpose is to interpret and implement those portions of the Program that are the Authority's responsibility. The Program is a grant program available to children's hospitals to develop children's hospital facilities.

COST IMPACTS

The Authority is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

ASSESSMENT OF EFFECT ON JOBS AND BUSINESS EXPANSION, ELIMINATION OR CREATION

The Authority has determined, pursuant to Government Code section 11346.3(b), that the Regulations will not have an effect on jobs and business expansion, elimination or creation.

COST IMPACT ON HOUSING

The Regulations will not have any effect on housing costs.

REASONABLE ALTERNATIVES

In accordance with Government Code Section 11346.5(a)(13), the Authority must determine that no reasonable alternative to the Regulations considered by the Authority or that has otherwise been identified and brought to the attention of the Authority would be more effective in carrying out the purpose for which the Regulations are proposed or would be as effective and less burdensome to affected private persons than the Regulations.

The Authority invites interested persons to present statements with respect to alternatives to the Regulations during the written comment period.

AGENCY CONTACT PERSON

Written comments, inquiries and any questions regarding the substance of the Regulations shall be submitted or directed to:

Ronald Washington, Deputy Executive Director California Health Facilities Financing Authority 915 Capitol Mall, Suite 590 Sacramento, CA 95814 (916) 653–2408

The following person is designated as a backup contact person for inquiries only regarding the Regulations:

Barry Scarff, Treasury Program Manager State Treasurer's Office (916) 654–5711

WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments relevant to the Regulations to the Authority. The written comment period on the Regulations will end at 5:00 p.m. on April 21, 2009. All comments must be submitted in writing to the Agency Contact Person identified in this Notice by that time for them to be considered by the Authority. In the event that changes are made to the Regulations during the written comment period, the Authority will also accept additional written comments limited to any changed or modified Regulations for 15 calendar days after the date on which such Regulations, as changed or modified are made available to the public pursuant to Title 1, Chapter 1, Section 44 of the California Code of Regulations. Such additional written comments should be addressed to the Agency Contact Person identified in this Notice.

AVAILABILITY OF INITIAL STATEMENT OF REASONS, RULEMAKING FILE AND EXPRESS TERMS OF PROPOSED REGULATIONS

Pursuant to the California Government Code, the Authority has established a rulemaking file for this regulatory action, which contains those items required by law. The file is available for inspection at the Authority's office at 915 Capitol Mall, Sacramento during normal business hours. As of the date this Notice is published in the Notice Register, the rulemaking file consists of this Notice, the Initial Statement of Reasons, and the pro-

posed text of the Regulations. Copies of these items are available upon request, from the Agency Contact Person designated in this Notice. This address will also be the location for inspection of the rulemaking file and any other public records, including reports, documentation and other materials related to this proposed regulatory action. In addition, the rulemaking file, including the Initial Statement of Reasons and the proposed text, may be viewed on the Authority's website at http://www.treasurer.ca.gov/chffa.

PUBLIC HEARING

No public hearing regarding the Regulations has been scheduled. Anyone wishing a public hearing must submit a request in writing, pursuant to Section 11346.8 of the Government Code, to the Authority at least 15 days before the end of the written comment period. Such request should be addressed to the Agency Contact Person identified in this Notice and should specify the Regulations for which the Hearing is being requested.

15–DAY AVAILABILITY OF CHANGED OR MODIFIED TEXT

After the written comment period ends and following a public hearing, if any is requested, the Authority may adopt the Regulations substantially as described in this Notice, without further notice. If the Authority makes modifications that are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public (including through the Authority's website described above) for at least fifteen (15) calendar days before the Authority adopts the proposed Regulations, as modified. Inquiries about and requests for written copies of any changed or modified regulations should be addressed to the Agency Contact Person identified in this Notice.

AVAILABILITY OF FINAL STATEMENT OF REASONS

The Authority is required to prepare a Final Statement of Reasons pursuant to Government Code section 11346.9. Once the Authority has prepared a Final Statement of Reasons, a copy will be made available to anyone who requests a copy and will be available on the Authority's website described above. Written requests for copies should be addressed to the Agency Contact Person identified in this Notice.

TITLE 4. CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

NOTICE OF PROPOSED RULEMAKING ACTION

Sections 7051 to 7071 Title 4, Division 10 California Code of Regulations

NOTICE IS HEREBY GIVEN that the California Health Facilities Financing Authority (the "Authority"), organized pursuant to Section 15431 of the Government Code and operating pursuant to Sections 1179.50 through 1179.72 of the Health and Safety Code (the "Act"), proposes to adopt the proposed regulations described below relating to the Children's Hospital Program.

PROPOSED REGULATORY ACTION

The Authority proposes to adopt Section 7051 through Section 7071 of Chapter 2 of Division 10 of Title 4 of the California Code of Regulations (the "Regulations"). The Regulations implement the Authority's responsibilities related to the Children's Hospital Program established pursuant to Part 6 (commencing with Section 1179.51) of Division 1 of the Health and Safety Code.

AUTHORITY AND REFERENCE

Authority: Sections 1179.55, 1179.57 and 1179.61 of the Health and Safety Code.

Reference: Division 1, Sections 1179.50 through 1179.72 of the Health and Safety Code. These regulations implement, interpret and make specific Section 1179.50 through Section 1179.72 of the Health and Safety Code as approved by voters on November 4, 2008.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

The California Health Facilities Financing Authority (the "Authority") is organized and operating pursuant to Sections 15430 through 15462.5 of the California Government Code. The Children's Hospital Bond Act of 2008 (the "Act"), passed by the voters on November 4, 2008 charged the Authority with implementing a \$980 million grant program funded by general obliga-

tion bonds for California children's hospitals (the "Program"). With the passage of the Act, the voters recognized the need to increase and expand the health care services provided by these hospitals to California's critically ill children. The Authority seeks to establish Sections 7051 through 7071, to the Regulations in order to implement, interpret, and make specific Division 1, Section 1179.50 of the Health and Safety Code.

Existing law authorizes the Authority to award grants to an eligible participating general acute care hospital for purposes of financing capital outlay projects and requires the Authority to develop evaluation criteria and a process for awarding grants. Existing law requires the Authority to develop a written application for the awarding of grants within 90 days of the adoption of existing law. It also requires grants to be awarded within 60 days from receipt of an application for funds. Existing law requires the Authority to take into account several specified factors when selecting grantees and determining grant amounts.

These regulations would implement the above described statutory requirements within the required timeframes. The Children's Hospital Program of 2008 Grant Application Form, The Children's Hospital Overview and Instructions for Grant Application Form, and Legal Status Questionnaire are incorporated by reference.

The purpose of these provisions is to improve the health and welfare of California's critically ill children, by providing a stable and ready source of funds for capital improvement projects for children's hospitals.

OTHER MATTERS PRESCRIBED BY STATUTES APPLICABLE TO THE SPECIFIC STATE AGENCY OR TO ANY SPECIFIC REGULATION OR CLASS OF REGULATIONS

No other matters prescribed by statute are applicable to the Authority or to any specific regulation or class of regulations pursuant to 11346.5(a)(4) of the Government Code pertaining to the proposed regulations or to the Authority.

MANDATE ON LOCAL AGENCIES OR SCHOOL DISTRICTS

The Authority has determined that the Regulations do not impose a mandate on local agencies or school districts.

FISCAL IMPACT

The Executive Director of the Authority has determined that the regulations do not impose any additional cost or savings requiring reimbursement under Part 7

(commencing with Section 17500) of Division 4 of Title 2 of the California Government Code, any other non–discretionary cost or savings to any local agency or any cost or savings in federal funding to the State. Pursuant to the State Administrative Manual Section 6680, a Fiscal Impact Statement (Form 399) is submitted without the signature of a Project Budget Manager at the Department of Finance, as there are no fiscal impact disclosures required by State Administrative Manual Sections 6600–6670. There will be no cost or savings to any State Agency pursuant to Government Code Section 11346.1(b) or 11346.5(a)(6).

INITIAL DETERMINATION REGARDING ANY SIGNIFICANT, STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS

The Authority has made an initial determination that the Regulations will not have any significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

EFFECT ON SMALL BUSINESSES

The Authority has determined that the adoption of the Regulations will not affect small business. Its purpose is to interpret and implement those portions of the Program that are the Authority's responsibility. The Program is a grant program available to children's hospitals to develop children's hospital facilities.

COST IMPACTS

The Authority is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

ASSESSMENT OF EFFECT ON JOBS AND BUSINESS EXPANSION, ELIMINATION OR CREATION

The Authority has determined, pursuant to Government Code section 11346.3(b), that the Regulations will not have an effect on jobs and business expansion, elimination or creation.

COST IMPACT ON HOUSING

The Regulations will not have any effect on housing costs.

REASONABLE ALTERNATIVES

In accordance with Government Code Section 11346.5(a)(13), the Authority must determine that no reasonable alternative to the Regulations considered by the Authority or that has otherwise been identified and brought to the attention of the Authority would be more effective in carrying out the purpose for which the Regulations are proposed or would be as effective and less burdensome to affected private persons than the Regulations.

The Authority invites interested persons to present statements with respect to alternatives to the Regulations during the written comment period.

AGENCY CONTACT PERSON

Written comments, inquiries and any questions regarding the substance of the Regulations shall be submitted or directed to:

Ronald Washington, Deputy Executive Director California Health Facilities Financing Authority 915 Capitol Mall, Suite 590 Sacramento, CA 95814 (916) 653–2408

The following person is designated as a backup contact person for inquiries only regarding the Regulations:

Barry Scarff, Treasury Program Manager State Treasurer's Office (916) 654–5711

WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments relevant to the Regulations to the Authority. The written comment period on the Regulations will end at 5:00 p.m. on April 21, 2009. All comments must be submitted in writing to the Agency Contact Person identified in this Notice by that time for them to be considered by the Authority. In the event that changes are made to the Regulations during the written comment period, the Authority will also accept additional written comments limited to any changed or modified Regulations for 15 calendar days after the date on which such Regulations, as changed or modified are made available to the public pursuant to Title 1, Chapter 1, Section 44 of the California Code of Regulations. Such additional written comments should be addressed to the Agency Contact Person identified in this Notice.

AVAILABILITY OF INITIAL STATEMENT OF REASONS, RULEMAKING FILE AND EXPRESS TERMS OF PROPOSED REGULATIONS

Pursuant to the California Government Code, the Authority has established a rulemaking file for this regula-

tory action, which contains those items required by law. The file is available for inspection at the Authority's office at 915 Capitol Mall, Sacramento during normal business hours. As of the date this Notice is published in the Notice Register, the rulemaking file consists of this Notice, the Initial Statement of Reasons, and the proposed text of the Regulations. Copies of these items are available upon request, from the Agency Contact Person designated in this Notice. This address will also be the location for inspection of the rulemaking file and any other public records, including reports, documentation and other materials related to this proposed regulatory action. In addition, the rulemaking file, including the Initial Statement of Reasons and the proposed text, may be viewed on the Authority's website at http://www.treasurer.ca.gov/chffa.

PUBLIC HEARING

No public hearing regarding the Regulations has been scheduled. Anyone wishing a public hearing must submit a request in writing, pursuant to Section 11346.8 of the Government Code, to the Authority at least 15 days before the end of the written comment period. Such request should be addressed to the Agency Contact Person identified in this Notice and should specify the Regulations for which the Hearing is being requested.

15–DAY AVAILABILITY OF CHANGED OR MODIFIED TEXT

After the written comment period ends and following a public hearing, if any is requested, the Authority may adopt the Regulations substantially as described in this Notice, without further notice. If the Authority makes modifications that are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public (including through the Authority's website described above) for at least fifteen (15) calendar days before the Authority adopts the proposed Regulations, as modified. Inquiries about and requests for written copies of any changed or modified regulations should be addressed to the Agency Contact Person identified in this Notice.

AVAILABILITY OF FINAL STATEMENT OF REASONS

The Authority is required to prepare a Final Statement of Reasons pursuant to Government Code section 11346.9. Once the Authority has prepared a Final Statement of Reasons, a copy will be made available to anyone who requests a copy and will be available on the

Authority's website described above. Written requests for copies should be addressed to the Agency Contact Person identified in this Notice.

TITLE 5. COMMISSION ON TEACHER CREDENTIALING

Division VIII of Title 5 of the California Code of Regulations

Proposed Amendments to 5 California Code of Regulations Section 80027 Pertaining to the General Education Limited Assignment Multiple or Single Subject Teaching Permits and Proposed Addition of Sections 80027.1 Pertaining to the Special Education Limited Assignment Teaching Permit and 80048.7 Pertaining to Added Authorizations in Special Education

Notice of Proposed Rulemaking

The Commission on Teacher Credentialing proposes to amend regulatory action described below after considering all comments, objections and recommendations regarding the proposed action.

Public Hearing

A public hearing on the proposed actions will be held:

April 23, 2009 1:00 p.m. Los Angeles County Office of Education 9300 Imperial Hwy. Downey, CA 90242

Written Comment Period

Any interested person, or his or her authorized representative, may submit written comments by fax, through the mail, or by e-mail on the proposed action. The written comment period closes at 5:00 p.m. on April 20, 2009. Comments must be received by that time or may be submitted at the public hearing. You may fax your response to (916) 322–0048; write to the California Commission on Teacher Credentialing, attn. Terri H. Fesperman, 1900 Capitol Avenue, Sacramento, California 95814–4213; or submit an email at tfesperman@ctc.ca.gov.

Any written comments received 22 days prior to the public hearing will be included in the written Commission agenda. Written comments received after that date and up to April 20, 2009 will be included in an in–folder and presented to the Commission prior to the public hearing.

Authority and Reference

Education Code Section 44225 authorizes the Commission to promulgate rules and regulations which will implement, interpret or make specific sections 44225(b), (d), (e), (g), (q), 44253, 44256, 44265, 44280, 44281, 44282, 44300, and 44373 of the Education Code and govern the procedures of the Commission.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

<u>Summary of Existing Laws and Regulations</u> General Education Limited Assignment Permit

The Limited Assignment Teaching Permit process was designed to allow fully credentialed general education teachers to teach outside of their authorized area while completing the requirement to earn an additional authorization. A Limited Assignment Teaching Permit may be issued at the request of a local employing agency to fill a staffing vacancy or need. In addition, it allows flexibility for the local employing agencies, especially in rural and remote areas of the state, to assign an individual to teach in more than one subject area.

A new teacher needs time and assistance to learn how to teach and be successful in his or her first years of teaching in the subjects in which they are prepared. For this reason, teachers must either obtain permanent status (tenure) in a California employing agency before the employer can assign that teacher on the basis of a Limited Assignment Teaching Permit or the employing agency must assign an experienced educator in the subject area of the permit to assist the teacher who has not yet obtained permanent status.

There is a restriction on the number of years a teacher may serve on a Limited Assignment Teaching Permit. Since six semester units of course work or passage of two examinations appropriate to the credential are required for renewal, it seems unnecessary to allow assignments on a Limited Assignment Permit to continue indefinitely. A general education teacher should be able to complete the requirements for an appropriate supplementary authorization or pass the examinations for the Multiple or Single Subject Teaching Credential within a three—year period.

Proposed Amendments to §80027

§80027 Title and (a) The wording of 'General Education' and the 's' on the words 'permit' and 'include' is added for clarification that this permit, either in the area of multiple or single subject, is for a general education assignment.

\$80027(a)(3), (a)(6), (b), (b)(2), (b)(3), and (b)(6), and (d) The additional language adds clarification that this permit is only for general education assignments.

§80027(a)(4) The language clarifies that the required teaching experience must be aligned with the authorization of the permit and the number of years of experience required to be assigned as an experienced educator.

\$80027(a)(5) and (c)(1) The authorization listed on the General Education Multiple Subject Limited Assignment Permit is added for clarity.

\$80027(a)(7) Language was removed that the applicant submitted the application. Materials must be submitted through an employing agency to match the wording in subsection (b)(3).

§80027(a)(7)(A) and (b)(3)(4) Language to reference the specific application form, including the instructions to complete the form, that applicants applying for issuance and renewal of a General Education Limited Assignment Permit must use to provide the information needed to process the application including birth date, social security number, and current address and also responding to professional fitness questions and signing an oath and affidavit is referenced.

\$80027(a)(7)(B) and (b)(3)(B) Language to clarify the fee required for issuance and renewal of a General Education Limited Assignment Permit is referenced.

\$80027(b)(3)(C) The proposed change is to allow either completion of course work or passage of examinations, as provided in Education Code sections 44280, 44281, and 44282, to meet the renewal requirements for the permit. Effective July 1, 2004, the Commission determined that the only route to meet the subject matter competence requirement for a multiple subject credential is through examination. Completion of course work would not allow the permit holder to earn full certification. The proposed change would also allow permit holders working towards a single subject credential to complete the examination route in addition to the current course work route.

To use the examination option, the individual must take all examinations appropriate to the type of permit requested, multiple or single subject, and must pass two sections. The number of examination sections required to meet subject matter competence for Multiple and Single Subject Credentials varies from two to four sections. If one or more sections have been previously passed, the individual must pass the remaining one or two sections, as appropriate.

§80027(b)(5) The validation of professional development option was originally available for all types of emergency permits which included the Emergency Limited Assignment Permit. The 'emergency' status was removed from the Limited Assignment Permit in 2001. In 2002, the Commission promulgated regulations to delete the professional development option for renewal of all emergency permits. Since the Limited Assignment Permit had lost its 'emergency' status, they were not included in the regulation change. To align

with the original decision to delete the professional development as a renewal requirement for emergency permits, the Commission is proposing deletion of the option for renewal of the Limited Assignment Permit.

\$80027(c)(1)(2) The language clarifies that this permit is only for general education and adds the authorized field listed on the multiple subject permit.

§80027(d) The additional language clarifies that this permit is only for general education. The Limited Assignment Permit requires a prerequisite credential and the expiration date of the permit cannot be later than the expiration date of the required prerequisite credential.

§80027(d)(1) Requirements to extend a Limited Assignment Permit that has been issued for less than one calendar year because the prerequisite credential has expired are detailed.

<u>Summary of Existing Laws and Regulations</u> Special Education Limited Assignment Permit

The Limited Assignment Permit has been issued only to holders of general education credentials as they complete requirements to add an additional authorization to their general education credential. Regulations are being proposed for a Special Education Limited Assignment Permit for the same purpose. The first step in the establishment of the new permit is to amend Title 5 section 80027 to clarify that the section is only for general education.

In 2006, the Commission promulgated regulations to sunset the Emergency Multiple Subject, Single Subject and Education Specialist Teaching Permits and established the Provisional Internship (PIP) and Short–Term Staff (STSP) Permits. The intent of the PIP is to allow an individual two years to meet subject-matter competence to enroll in an internship program to earn a full credential. As a result of this change, holders of preliminary or clear Education Specialist Credentials who previously could have earned an Emergency Education Specialist Permit if teaching outside the subject area of their credential no longer qualified for the PIP since subject-matter competence has already been verified for the Education Specialist Credential. The STSP is available but may only be issued once. Regardless whether a STSP is issued, there is no option to earn an 'emergency' type of permit in special education for more than one year to allow the individual sufficient time to earn an additional authorization.

Creating a Special Education Limited Assignment Permit will allow individuals the opportunity and the time (up to three years) to complete the course work necessary to enroll in a special education internship program or to earn an Added Authorization in Special Education. In addition, it allows flexibility for the local employing agencies especially in rural and remote areas of the state to assign an individual to serve students in more than one specialty area and for the teacher to be as-

signed to serve students in more than one special education specialty area.

One difference from the General Education Limited Assignment Permit, the Special Education Limited Assignment requires a minimum of three semester units or one year of experience for initial issuance. This is the same criteria required in the Local Teaching Assignment Option in AB 2302 (Education Code §44265.1).

There is a restriction on the number of years a teacher may serve on a Special Education Limited Assignment Permit. Since six semester units of course work appropriate to the credential are required for reissuance, it is not necessary to allow assignments on a Special Education Limited Assignment Permit to continue indefinitely. An individual should be able to complete the requirements for an appropriate added authorization in special education or to enter an internship program within a three—year period.

Proposed Changes to Regulation Proposed Addition of §80027.1

\$80027.1(a)(1) and (b)(4) A Declaration of Need includes an estimate of the number of emergency and limited assignment permits an employer will be requesting each year as provided in Title 5 section 80026.

\$80027.1(a)(2) and (b)(1) Current employment is needed to ensure that the individual is familiar with the school.

\$80027.1(a)(3) and (b)(2) An appropriate prerequisite credential in special education is required to ensure the individual has the requisite knowledge of special education to serve in an additional special education specialty area.

§80027.1(a)(4) Individuals assigned outside the subject area of their prerequisite credential need additional support from an experienced educator in the specialty area if the individual has not yet obtained permanent status.

§80027.1(a)(5) The specialty areas allowed for the Special Education Limited Assignment Teaching Permit align with those for the preliminary or clear Education Specialist Credential.

\$80027.1(a)(6) and (b)(6) An individual is authorized to teach within the subject area(s) of the credential issued. If the individual is serving outside the subject area(s), the teacher needs to consent to the additional assignment.

\$80027.1(a)(7)(A) and (b)(3)(A) Language to reference the specific application form, including the instructions to complete the form, that applicants applying for issuance and renewal of a Special Education Limited Assignment Permit must use to provide the information needed to process the application including birth date, social security number, and current address and also responding to professional fitness questions and signing an oath and affidavit is referenced.

\$80027.1(a)(7)(B) and (b)(3)(B) Language to clarify the fee required for issuance of a Special Education Limited Assignment Permit is referenced.

\$80027.1(a)(7)(C) One addition to the requirements that is different from the General Education Multiple and Single Subject Limited Assignment Permit is a specific number of units of course work or experience in the requested specialty area required for initial issuance. The complexity of each special education specialty area warrants the extra subject matter knowledge prior to initial issuance of the permit. This criteria mirrors the requirement in Education Code §44265.1.

\$80027.1(b)(3)(C) The renewal requirements allow the permit holder to complete course work to verify progress towards completion of a full authorization.

\$80027.1(b)(5) The limitation of the number of issuances of the permit allows the individual the time to complete an additional authorization in the area of the permit.

§80027.1(c) The authorization of the Special Education Limited Assignment Teaching Permit aligns with the authorization for the preliminary or clear Education Specialist Credential.

§80027.1(d) The Limited Assignment Permit requires a prerequisite credential and the expiration date of the permit cannot be later than the expiration date of the required prerequisite credential.

\$80027.1(d)(1) Requirements to extend a Limited Assignment Permit that has been issued for less than one calendar year because the prerequisite credential has expired are detailed.

<u>Summary of Existing Laws and Regulations</u> Added Authorizations in Special Education

For many years, the Commission has issued 'added authorizations' which are similar to minors to general education credential holders. Currently, the Commission issues supplementary and subject matter authorizations that may be added to multiple subject and single subject teaching credentials. The Commission has issued supplementary authorizations for single subject credentials since 1979 and multiple subject credentials since 1981. Subject matter authorizations were developed in response to the Federal *No Child Left Behind Act* of 2001 (NCLB) in 2004.

Supplementary and subject matter authorizations are commonly used at the middle and high schools in a variety of assignments. At the middle school level, they are used in core settings and departmentalized classes outside the subject of the teacher's credential. At the high school level, the supplementary and subject matter authorizations are used to offer additional classes in subjects such as drafting, economics, literature, and psychology. In addition, elementary schools use holders of added authorizations to teach physical education,

art, music, and science to students during the self-contained classroom teacher's prep period.

Effective June 30, 2008, Assembly Bill (AB) 2302 (Chap. 41, Stats. 2008) established an alternate route (commonly called a Local Teaching Assignment Option) for assigning holders of specific special education credentials to provide special education instructional services to students with autism in California public schools. The provisions of this statute become inoperative two years after the Commission adopts regulations to add an autism added authorization or on August 31, 2011, whichever is first.

AB 2302 was emergency legislation and was created as a temporary solution until more permanent changes could be made. While AB 2302 addressed only the shortage of teachers to serve the number of newly diagnosed children with autism, the Commission's Special Education Work Group and Design Team expanded the list of possible added authorizations to other statewide special education specialty shortage areas. The Work Group and Design Team determined additional methods should be available to holders of current and previously issued special education credentials to add expertise in areas of special education that were not part of their original authorization.

The Commission is proposing the establishment of six Added Authorizations in Special Education: autism spectrum disorders, deaf—blind, emotional disturbance, orthopedic impairment, other health impaired, and traumatic brain injury. Each of these proposed authorizations are parts of other full special education authorizations. These added authorizations will allow the holder to be prepared in focused, limited areas where there is a need for that specific service. The preparation received may be used to meet the requirements for the full authorization if the teacher wishes to earn that authorization. The Commission does not issue duplicative authorizations. If the individual is authorized to provide services in a specialty area, the Commission will not issue the added authorization.

The Added Authorizations in Special Education would be available through completion of a Commission–approved program based on Commission–approved standards. The authorization would provide specific advanced preparation for the teacher. Added Authorization programs will lead to expanded expertise for teachers and improved services to special needs students through a streamlined, non–redundant process. Commission Added Authorizations in Special Education would allow holders of Education Specialist Credentials as well as previously issued special education credentials to expand their authorizations without obtaining a new full special education specialty area. The Added Authorizations in Special Education will allow flexibility for the local employing agencies to assign an

individual to serve students in more than one specialty area as well as for the teacher to be able to be appropriately assigned in a class with students needing services in more than one specialty area.

Proposed Changes to Regulation Proposed Addition of §80048.7

§80048.7(a)(1) The minimum requirements for an Added Authorization in Special Education are described to include holding a special education credential in another specialty area which is based on completion of a bachelor's degree, special education teacher preparation program and student teaching.

\$80048.7(a)(2) Completion of an approved program is the method of verifying completion of the content for the added authorization.

\$80048.7(a)(3) Language to reference the specific application form, including the instructions to complete the form, that applicants applying for issuance of an Added Authorization in Special Education must use to provide the information needed to process the application including birth date, social security number, and current address and also responding to professional fitness questions and signing an oath and affidavit is referenced.

§80048.7(a)(4) Language to clarify the fee required for issuance of an Added Authorization in Special Education is referenced.

§80048.7(a)(5) Clarification that only approved programs may verify completion of the requirements and recommend for issuance of an added authorization is included in this subsection.

§80048.7(b) The specific specialty areas in which Added Authorizations may be issued are listed.

§80048.7(c) The Commission does not issue duplicative authorizations. If an individual is authorized to provide the instructional services on another document, the Added Authorization will not be issued.

*§*80048.7(*d*) The authorization for the Added Authorizations are aligned with the definitions in Title 34 of the Code of Federal Regulations.

§80048.7(e) The Added Authorization requires a prerequisite credential and the Added Authorization remains valid for the same time period that prerequisite credential is valid.

Documents Incorporated by Reference:

Form 41–4 (rev 9/08), instructions (rev 9/08), and form 41–ECC (rev 7/08).

Documents Relied Upon in Preparing Regulations:

Individuals with Disabilities Education Act (IDEA) Part B Regulations [(34 CFR Part 300 and 20 U.S.C. 1401(3); 1401(30)]

Report on the Study of Special Education Certification: A Report to the Governor and Legislature as Required by SB 1209 (Chap.517, Stats. 2006)

Disclosures Regarding the Proposed Actions

The Commission has made the following initial determinations:

Mandate to local agencies or school districts: None. Other non-discretionary costs or savings imposed upon local agencies: None.

Cost or savings to any state agency: None.

Cost or savings in federal funding to the state: None.

Significant effect on housing costs: None.

Significant statewide adverse economic impact directly affecting businesses including the ability of California businesses to compete with businesses in other states: None.

These proposed regulations will not impose a mandate on local agencies or school districts that must be reimbursed in accordance with Part 7 (commencing with Section 17500) of the Government Code.

Cost impacts on a representative private person or business: The Commission is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Assessment regarding the creation or elimination of jobs in California [Govt. Code §11346.3(b)]: The Commission has made an assessment that the proposed amendments to the regulation would not (1) create nor eliminate jobs within California, (2) create new business or eliminate existing businesses within California, or (3) affect the expansion of businesses currently doing business within California.

Effect on small businesses: The Commission has determined that the proposed amendment to the regulations does not affect small businesses. The regulations are not mandatory but an option that affects school districts and county offices of education.

Consideration of Alternatives

The Commission must determine that no alternative considered will be more effective in carrying out the purpose for which the action is proposed or will be as effective as and less burdensome to affected private persons or small businesses than the proposed action. These proposed regulations will not impose a mandate on local agencies or school districts that must be reimbursed in accordance with Part 7 (commencing with Section 17500) of the Government Code.

Contact Person/Further Information

General or substantive inquiries concerning the proposed action may be directed to Terri H. Fesperman by

telephone at (916) 323–5777 or Terri H. Fesperman, California Commission on Teacher Credentialing, 1900 Capitol Ave., Sacramento, CA 95814. General question inquiries may also be directed to Janet Bankovich at (916) 323–7140 or at the address mentioned in the previous sentence. Upon request, a copy of the express terms of the proposed action and a copy of the initial statement of reasons will be made available. This information is also available on the Commission's web site at www.ctc.ca.gov. In addition, all the information on which this proposal is based is available for inspection and copying.

Availability of Statement of Reasons and Text of Proposed Regulation

The entire rulemaking file is available for inspection and copying throughout the rulemaking process at the Commission office at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of regulations, and the initial statement of reasons.

Modification of Proposed Action

If the Commission proposes to modify the actions hereby proposed, the modifications (other than nonsubstantial or solely grammatical modifications) will be made available for public comment for at least 15 days before they are adopted.

Availability of Final Statement of Reasons

The Final Statement of Reasons is submitted to the Office of Administrative Law as part of the final rule-making package, after the public hearing. When it is available, it will be placed on the Commission's web site at www.ctc.ca.gov or you may obtain a copy by contacting Terri H. Fesperman at (916) 323–5777.

Availability of Documents on the Internet

Copies of the Notice of Proposed Action, the Initial Statement of Reasons and the text of the regulations in underline and strikeout can be accessed through the Commission's web site at www.ctc.ca.gov.

TITLE 10. MANAGED RISK MEDICAL INSURANCE BOARD

NOTICE OF PROPOSED RULEMAKING ER-5-08

TITLE 10: CALIFORNIA CODE OF REGULATIONS CHAPTER 5.5 MAJOR RISK MEDICAL INSURANCE PROGRAM

AMEND SECTIONS 2699.6707, 2699.6711, 2699.6721, 2699.6723, 2699.6725 and 2699.6809

NATURE OF PROCEEDING

NOTICE IS HEREBY GIVEN that the Managed Risk Medical Insurance Board (MRMIB) is proposing to take the action described in the Informative Digest.

A public hearing regarding this proposal will be held on April 20, 2009 at 1:30 p.m., at 1000 G Street, Suite 450, Sacramento, CA 95814.

Following the public hearing MRMIB may thereafter adopt the proposal substantially as described below or may modify the proposal if the modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in this Notice as contact person and will be mailed to those persons who submit written comments related to this proposal, or who provide oral testimony at the public hearing, or who have requested notification of any changes to the proposal.

Notice is also given that any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the:

Managed Risk Medical Insurance Board Attn: Dianne Knox 1000 G Street, Suite 450 Sacramento, CA 95814

Comments may also be submitted by facsimile (FAX) at (916) 445–0898 or by e-mail to dknox@mrmib.ca.gov. Comments must be received by no later than 5:00 p.m. on April 20, 2009.

AUTHORITY AND REFERENCE

Authority: Insurance Code sections 12693.21, and 12693.775.

Reference: Insurance Code sections 12693.21, 12693.43, 12693.53, 12693.60, 12693.615, 12693.63, 12693.65, 12693.66, 12693.755, and 12695.64.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

<u>Policy Statement</u>: The objective of the proposed action is to implement, interpret, or make specific Sections 17, 18 and 19 of Assembly Bill 1183 (Chapter 758, Statutes of 2008) in regards to monthly family contributions, and vision and dental benefits.

Existing Law: The Insurance Code (commencing at section 12693) creates the HFP and sets forth, among other things, certain health, dental and vision benefits that can be provided to eligible families and certain amounts that are to be paid as family contributions for the provision of such benefits. These statutes are implemented, interpreted or made more specific by MRMIB.

The specific amount, scope and duration of benefits, and the family contributions are currently set in regulations found at title 10, California Code of Regulations, beginning with section 2699.6700. The proposed action amends these provisions in keeping with Sections 17, 18 and 19 of Assembly Bill 1183 (Chapter 758, Statutes of 2008) which require increases in the family contributions, limits vision benefits and allows for a limitation on dental benefits.

A summary of the proposed regulations' effect on existing law and regulations is as follows:

Article 3. Health, Dental and Vision Benefits

Section 2699.6707

Section 2699.6707 describes the annual or lifetime benefit maximums.

Section 2699.6707(a) restates the same provisions contained in present section 2699.6707. In light of the addition of the provisions contained in section 2699.6707(b), for purposes of clarity, the provisions are placed into subsection (a).

Section 2699.6707(b) is being added to limit the covered dental benefit for each subscriber to fifteen hundred dollars (\$1,500) per benefit year effective July 1, 2009. It is also being amended to clarify that dental benefits covered under the California Children's Services program are not subject to the \$1,500 limitation.

Section 2699.6707 Reference Cited is being amended to include Insurance Code 12693.63.

Section 2699.6711

Section 2699.6711 describes the scope of dental benefits for subscriber parents.

Section 2699.6711(a) describes the basic scope of dental benefits and the limitations to the dental benefits for subscriber parents. It is being amended to limit the covered dental benefit for each subscriber to fifteen hundred dollars (\$1,500) per benefit year effective July 1,2009.

Section 2699.6711 reference is being amended to include Insurance Code 12695.64.

Section 2699.6721

Section 2699.6721 describes the scope of vision benefits for subscribers.

Section 2699.6721(a)(2) is being amended to delete tinted and photochromic lenses.

Section 2699.6723

Section 2699.6723 describes the vision benefits that are excluded from the HFP.

Section 2699.6723(a)(10) is being added to clarify that tinted lenses and photochromic lenses, are excluded vision benefits unless otherwise deemed medically necessary.

Section 2699.6723(a)(10)–(14) are being renumbered to reflect the addition of the new section 2699.6723(a)(10).

Section 2699.6725

Section 2699.6725 describes the share of cost of vision benefits for subscribers.

Section 2699.6725(a)(2) is being amended to clarify the share of cost for tinted and photochromic lenses when they are otherwise deemed medically necessary.

Section 2699.6725(b)(2)(F) describes the share of cost of vision benefits for subscribers as they relate to materials. It is being amended to clarify the share of cost for tinted and photochromic lenses when otherwise deemed medically necessary.

<u>2699.6809</u> Determination of Family Contribution for the Program.

Section 2699.6809 describes the family contributions for the program.

Section 2699.6809(a)(1)(B) is amended to clarify that the current family contributions will stay in place through January 31, 2009, for families with an income of 150 up to and including 200% of the federal poverty level, and on and after February 1, 2009 will increase in conformity with subdivision (b)(2) of Insurance Code section 12693.43.

Section 2699.6809(a)(1)(C) is amended to clarify that the current family contributions will stay in place through January 31, 2009, for families with an income of 200 up to and including 250% of the federal poverty level, and on and after February 1, 2009 will increase in conformity with subdivision (d)(3)(B) of Insurance Code section 12693.43.

Section 2699.6809(a)(2)(B) is amended to clarify that the current family contributions for families enrolled in the Community Provider Plan will stay in place through January 31, 2009, for families with an income of 150 up to and including 200% of the federal poverty level and on and after February 1, 2009 will increase in conformity with subdivision (d)(2) of Insurance Code section 12693.43.

Section 2699.6809(a)(2)(C) is amended to clarify that the current family contributions will stay in place through January 31, 2009, for families with an income of 200 up to and including 250% of the federal poverty level, and on and after February 1, 2009 will increase in conformity with subdivision (d)(3)(B) of Insurance Code section 12693.43.

There are no comparable provisions of federal law related to this proposal.

LOCAL MANDATE

This proposal does not impose a mandate on local agencies or school districts.

FISCAL IMPACT ESTIMATES

This proposal does not impose a mandate on local agencies or school districts for which reimbursement would be required pursuant to Part 7 commencing with Section 17500 of Division 4 of the Government Code. This proposal does not impose other nondiscretionary cost or savings on local agencies. This proposal will result in savings to the state as described below.

COSTS OR SAVINGS TO STATE AGENCIES

• Premium Savings —

The State will realize a savings of \$2,216,393 in the current year due to increased subscriber premiums.

The State will realize a savings of \$5,630,242 in 2009–10 due to the increased subscriber premiums.

Dental Benefits Savings —

The State will not realize any savings in the current fiscal year due to the late signing of the 2008 Budget Act and implementation of this reduction has been delayed to 2009–10 Fiscal Year. Since it is unlikely that subscribers will reach the \$1,500 benefit cap with only five months remaining in the benefit year assuming a February 1, 2009, implementation date, dental plan rates will not be reduced in 2008–09 as no reduction in utilization/costs is assumed. The Federal Funds savings in 2009–2010 is estimated to be \$3,316,075.

The State estimates a General Fund saving of \$1,941,430 in 2009–2010 due to the implementation of the reduction.

COSTS OR SAVINGS IN FEDERAL FUNDING TO THE STATE

• Premium Savings —

The Federal funding will realize a savings of \$3,867,584 in the current year due to the increased subscriber savings.

The Federal funding will realize a savings of \$9,824,718 in 2009–2010 due to the increased subscriber savings.

Dental Benefit Savings—

The Federal savings will not be realized in the current fiscal year due to the late implementation of the 2008 Budget Act and implementation of this reduction has been delayed to 2009–2010 Fiscal Year.

The Federal Fund savings in 2009–2010 is estimated to be \$3,316,075.

BUSINESS IMPACT/SMALL BUSINESS

The MRMIB has made an initial determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. The proposal does not affect small businesses as defined by section 11342.610. The determination that the proposal would not affect small business is based upon the fact that the proposal applies only to the procedures followed by the MRMIB. It has no impact at all on any entity that is not a state agency as defined in section 11000 of the California Government Code as the regulations only establish procedures.

ASSESSMENT REGARDING EFFECT ON JOBS/BUSINESSES

The MRMIB has determined that this regulatory proposal will not have any impact on the creation of jobs or new businesses or the elimination of jobs or existing businesses or the expansion of businesses in the State of California.

COST IMPACTS ON REPRESENTATIVE PERSON OR BUSINESS

There may be an increased cost to individuals as the proposed regulations implement at \$1,500 dental benefits annual cap. Individuals may incur additional costs if their dental care exceeds the \$1,500 cap. Subscribers will also pay a higher monthly premium.

EFFECT ON HOUSING COSTS: None.

ALTERNATIVES

The MRMIB must determine that no reasonable alternative considered by the agency, or that has been otherwise identified and brought to the agency's attention, would be more effective in carrying out the purpose for which the adoption of this regulation is proposed, or would be as effective as and less burdensome to affected private persons than the proposed action.

CONTACT PERSONS

Inquiries concerning the proposed adoption of this regulation and written comments may be directed to:

Dianne Knox Managed Risk Medical Insurance Board 1000 G Street, Suite 450 Sacramento, CA 95814 (916) 324–0592

or

Randi Turner Managed Risk Medical Insurance Board 1000 G Street, Suite 450 Sacramento, CA 95814 (916) 327–8243

INITIAL STATEMENT OF REASONS

The MRMIB has prepared an initial statement of reasons for the proposed action and has available all the information upon which the proposal is based.

TEXT OF PROPOSAL

Copies of the exact language of the proposed regulations and of the initial statement of reasons, and all of the information upon which this proposal is based, may be obtained upon request from the Managed Risk Medical Insurance Board at 1000 G Street, Suite 450, Sacramento, CA 95814. These documents may also be viewed and downloaded from the MRMIB website at www.mrmib.ca.gov.

AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE

All the information upon which the proposed regulations are based is contained in the rulemaking file which is available for public inspection by contacting the person named above.

You may obtain a copy of the final statement of reasons once it has been prepared by making a written request to the contact person named above.

WEBSITE ACCESS

Materials regarding this proposal can be found at www.mrmib.ca.gov.

TITLE 13. CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC HEARING TO CONSIDER THE ADOPTION OF A PROPOSED REGULATION FOR AB 118 AIR QUALITY IMPROVEMENT PROGRAM GUIDELINES

The Air Resources Board (ARB or the Board) will conduct a public hearing at the time and place noted below to consider adoption of a regulation that defines the guidelines for implementation of the Assembly Bill (AB) 118 Air Quality Improvement Program (AQIP).

DATE: April 23–24, 2009

TIME: 9:00 a.m.

PLACE: California Environmental Protection

Agency

Air Resources Board Byron Sher Auditorium

1001 I Street

Sacramento, California 95814

This item will be considered at a 2–day meeting of the Board, which will commence at 9:00 a.m., Thursday, April 23, 2009, and may continue at 8:30 a.m., Friday, April 24, 2009. This item may not be considered until April 24, 2009. Please consult the agenda for the meeting, which will be available at least 10 days before April 23, 2009, to determine the day on which this item will be considered.

If you require special accommodations or language needs, please contact the Clerk of the Board at (916) 322–5594 or by FAX at (916) 322–3928 as soon as possible, but no later than 10 business days before the scheduled board hearing. TTY/TDD/Speech-to-Speech users may dial 711 for the California Relay Service.

INFORMATIVE DIGEST OF PROPOSED ACTION AND POLICY STATEMENT OVERVIEW

Sections Affected:

Proposed adoption to new sections 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, and 2359, new chapter 8.2, title 13, California Code of Regulations.

Background:

On October 14, 2007, Governor Schwarzenegger signed into State law the "California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007" (AB 118; Statutes of 2007, Chapter 750). That law provides approximately \$200 million in annual incentive funding to fund air quality and greenhouse gas improvement projects and develop and deploy technology and alternative and re-

newable fuels. Those incentive funds are generated from increases in smog abatement, vehicle registration, and vessel registration fees.

The bill creates the AQIP, a voluntary incentive program administered by ARB which will provide about \$50 million in annual funding through 2015. Health and Safety Code (HSC) section 44274(a) requires ARB to develop guidelines to implement the AQIP. Staff's proposed regulation would fulfill this requirement.

AB 118 also creates 2 other new incentive programs: the Alternative and Renewable Fuel and Vehicle Technology Program administered by the California Energy Commission (Energy Commission) to fund alternative and renewable fuels and vehicle technologies to help attain California's climate change policies; and the Enhanced Fleet Modernization Program which expands the Bureau of Automotive Repair's (BAR) voluntary vehicle retirement program. The proposed regulation does not address either of these programs. The ARB, the Energy Commission, and BAR are working in coordination to develop and implement these incentive programs. Guidelines for these programs are being developed through separate rulemakings.

The goal of the AQIP is to fund air quality improvement projects (including vehicle and equipment projects) research on the air quality impacts of alternative fuels and advanced technology vehicles, and workforce training. AB 118 specifies 8 broad project types which are eligible for AQIP funding:

- On-road and off-road equipment projects.
- Projects to mitigate off–road gasoline exhaust and evaporative emissions.
- Research on the air quality impact of alternative fuels.
- University of California research to increase sustainable biofuels production and improve collection of biomass feedstock.
- Lawn and garden equipment replacement.
- Medium–duty and heavy–duty vehicle/equipment projects including lower emission school buses, electric or hybrid vehicles/equipment, and regional air quality programs in the most impacted parts of California.
- Workforce training related to advanced technology to reduce air pollution.
- Projects to identify and reduce emissions from high–emitting light–duty vehicles.

AB 118 directs ARB to evaluate projects based on potential reduction of criteria or toxic air pollutants, costeffectiveness, contribution to regional air quality improvement, and ability to promote the use of clean alternative fuels and vehicle technologies.

The AQIP will complement California's existing portfolio of incentive programs, including the Carl Moyer Memorial Air Quality Standards Attainment Program, the Goods Movement Emission Reduction Program, and Lower Emission School Bus Program. ARB staff is building upon the experience gained in running these programs as it develops the AQIP, and plans to implement the AQIP in a coordinated manner with these programs.

<u>Description of the Proposed Regulatory Action:</u>

As mentioned above, Health and safety Code section 44274(a) requires ARB to develop guidelines to implement the AQIP. The proposed regulation (Guidelines) fulfills this requirement. These regulatory Guidelines establish the overall administrative requirements for the program through 2015 and apply to all funding years. These Guidelines will be paired with the AQIP funding plan — which is updated and approved by the Board annually — to direct implementation of the AQIP. The funding plan describes specific projects eligible for funding that fiscal year and details project implementation requirements. While these Guidelines are administrative in nature and will have no impact on the California economy, staff expects funded projects will have a positive impact on participating California businesses and an undefined positive impact on job creation. Staffs proposed FY 2009-10 Funding Plan will be released on March 20, 2009 and will be considered by the Board at the April 2009 Board meeting.

Funding Plan

The Funding Plan is each fiscal years blueprint for expending AQIP funds appropriated to the ARB in each year's State budget and would be developed in accordance with the requirements established in the AQIP Guidelines. The Funding Plan would be required to be approved by the Board annually. The Funding Plan describes the project categories ARB intends to fund and funding targets for each category, along with the justification for these decisions. The proposed Guidelines establish the process by which the Funding Plan is developed along with required minimum components, including: eligible projects, funding targets, policy and technical justifications, and requirements to ensure surplus emission reductions.

Project Solicitations

The proposed Guidelines would establish the requirements for issuing project solicitations. The competitive solicitations would be issued for each of the projects in the Board–approved Funding Plan. These solicitations would include all the programmatic details potential grantees need to apply for funds. The proposed Guidelines define the elements that must be included in each project solicitation, including: project eligibility and administration requirements, application

requirements and deadlines, project evaluation and selection criteria, and match funding requirements.

Program Administration

The proposed Guidelines would establish the minimum administration requirements for all AQIP projects. The proposed Guidelines require that project administration responsibilities be clearly defined in the Funding Plan, project solicitations, project applications, and project grant agreements.

Other Guidelines provisions include compliance with the AB 118 Air Quality Guidelines for the Air Quality Improvement Program and the Alternative and Renewable Fuel and Vehicle and Technology Program (adopted by the Board in September 2008), oversight and accountability through program reviews and fiscal audits, and reporting to the Board beginning in 2010 and at least biennially thereafter.

COMPARABLE FEDERAL REGULATIONS

There are no federal regulations comparable to the proposed regulation. The proposed regulation defines the AQIP's structure and establishes minimum program administrative and implementation requirements. Participation by individuals and businesses in the AQIP is strictly voluntary.

AVAILABILITY OF DOCUMENTS AND AGENCY CONTACT PERSONS

ARB staff has prepared a Staff Report: Initial Statement of Reasons (ISOR) for the proposed regulatory action, which includes a summary of the economic and environmental impacts of the proposed regulation. The ISOR is entitled: "Staff Report: Initial Statement of Reasons for Rulemaking — Proposed AB 118 Air Quality Improvement Program Guidelines."

Copies of the ISOR and the full text of the proposed regulatory language may be accessed on the ARB's web site listed below, or may be obtained from the Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, 1st Floor, Sacramento, California 95814, (916) 322–2990 at least 45 days prior to the scheduled hearing on April 23, 2009.

Upon its completion, the Final Statement of Reasons (FSOR) will be available and copies may be requested from the agency contact persons in this notice, or may be accessed on the ARB's web site listed below.

Inquiries concerning the substance of the proposed regulation may be directed to Mr. Joe Calavita, Staff Air Pollution Specialist, at (916) 445–4586 or by email at <u>jcalavita@arb.ca.gov</u> or Ms. Johanna Levine, Air

Pollution Specialist, at (916) 324–6971 or by email at <u>ilevine@arb.ca.gov</u>.

Further, the agency representative and designated back—up contact persons to who nonsubstantive inquiries concerning the proposed administrative action may be directed are Ms. Lori Andreoni, Manager, Board Administration & Regulatory Coordination Unit, (916) 322–4011, or Amy Whiting, Regulations Coordinator, (916) 322–6533. The Board has compiled a record for this rulemaking action, which includes all the information upon which the proposal is based. This material is available for inspection upon request to the contact persons.

This notice, the ISOR and all subsequent regulatory documents, including the FSOR, when completed, are available on the ARB Internet site for this rulemaking at www.arb.ca.gov/regact/2009/aqip2009/aqip2009.htm.

COSTS TO PUBLIC AGENCIES AND TO BUSINESSES AND PERSONS AFFECTED

The determinations of the Board's Executive Officer concerning the costs or savings necessarily incurred by public agencies and private persons and businesses in reasonable compliance with the proposed regulations are presented below.

Pursuant to Government Code sections 11346.5(a)(5) and 11346.5(a)(6), the Executive Officer has determined that the proposed regulatory action would create slight costs to ARB in the implementation of the AQIP. Funding for these positions has been included in the California State Budget. Except for these costs, the proposed regulatory action would not create costs or savings to any other State agency, or in federal funding to the State, costs or mandate to any local agency or school district whether or not reimbursable by the State pursuant to part 7 (commencing with section 17500), division 4, title 2 of the Government Code, or other nondiscretionary cost or savings to State or local agencies.

In developing this regulatory proposal, the ARB staff evaluated the potential economic impacts on representative private persons or businesses. The ARB is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. The AQIP is purely voluntary. Businesses, individuals, and public agencies will not participate unless it is economically beneficial for them to do so.

The Executive Officer has made an initial determination that the proposed regulatory action would not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states, or on representative private persons.

In accordance with Government Code section 11346.3, the Executive Officer has determined that the proposed regulatory action — which sets administrative requirements for the AQIP — would not affect the creation or elimination of jobs within the State of California, the creation of new businesses or elimination of existing businesses within the State of California, or the expansion of businesses currently doing business within the State of California. An assessment of the economic impacts of the proposed regulatory action can be found in the ISOR.

The Executive Officer has also determined, pursuant to California Code of Regulations, title 1, section 4, that the proposed regulatory action would affect small businesses although participation in the AQIP is strictly voluntary with and there are no mandated requirements, small businesses that choose to participate in the AQIP would be affected by enforcement of the regulation.

The proposed regulation will not impose reporting requirements on private persons or businesses.

Before taking final action on the proposed regulatory action, the Board must determine that no reasonable alternative considered by the board or that has otherwise been identified and brought to the attention of the Board would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.

SUBMITTAL OF COMMENTS

Interested members of the public may also present comments orally or in writing at the hearing, and in writing or by e-mail before the hearing. To be considered by the Board, written comments submissions not physically submitted at the meeting must be received no later than 12:00 noon, Pacific Standard Time, April 22, 2009, and addressed to the following:

Postal mail: Clerk of the Board, Air Resources

Board

1001 I Street, Sacramento, California

95814

Electronic submittal: http://www.arb.ca.gov/

lispub/comm/bclist.php

Facsimile submittal: (916) 322–3928

Please note that under the California Public Records Act (Government Code section 6250 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request. Additionally, this in-

formation may become available via Google, Yahoo, and any other search engines.

The Board requests but does not require that 30 copies of any written statement be submitted and that all written statements be filed at least 10 days prior to the hearing so that ARB staff and Board Members have time to fully consider each comment. The Board encourages members of the public to bring to the attention of staff in advance of the hearing any suggestions for modification of the proposed regulatory action.

STATUTORY AUTHORITY AND REFERENCES

This regulatory action is proposed under that authority granted in Health and Safety Code, sections 39600, 39601, 44271 and 44274. This action is proposed to implement, interpret and make specific Health and Safety Code, sections 39600, 39601, 44271, and 44274.

HEARING PROCEDURES

The public hearing will be conducted in accordance with the California Administrative Procedure Act, title 2, division 3, part 1, chapter 3.5 (commencing with section 11340) of the Government Code.

Following the public hearing, the Board may adopt the regulatory language as originally proposed, or with nonsubstantial or grammatical modifications. The Board may also adopt the proposed regulatory language with other modifications if the text as modified is sufficiently related to the originally proposed text that the public was adequately placed on notice that the regulatory language as modified could result from the proposed regulatory action; in such event the full regulatory text, with the modifications clearly indicated, will be made available to the public, for written comment, at least 15 days before it is adopted.

The public may request a copy of the modified regulatory text from the ARB's Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, 1st Floor, Sacramento, California 95814, (916) 322–2990.

TITLE 16. CONTRACTORS STATE LICENSE BOARD

NOTICE OF PROPOSED CHANGES IN THE REGULATIONS

NOTICE IS HEREBY GIVEN that the Contractors State License Board (Board) is proposing to take the action described in the Informative Digest. Any person interested may present statements or arguments orally or in writing relevant to the action proposed at a hearing to be held at the Contractors State License Board, 9821 Business Park Drive, Sacramento, California 95827, at 1:00 p.m. on Monday, April 20, 2009. Written comments must be received by the Board at its office at the above address not later than April 20, 2009 at 5:00 p.m. or at the hearing. The Board, upon its own motion or at the instance of any interested party, may thereafter adopt the proposal substantially as described below or may modify such proposal if such modification is sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in the Notice as the contact person and will be mailed to those persons who submit written or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

Authority And Reference Citations

Pursuant to the authority vested by Sections 7008 and 7059 of the Business and Professions (B&P) Code, and to implement, interpret, or make specific Sections 7030.5, 7058, 7059, 7065, 7074, and 7137 of said Code, the Contractors State License Board is considering changes to Division 8 of Title 16 of the California Code of Regulations (CCR) as follows:

INFORMATIVE DIGEST

<u>Amend Section 832.45 — Class C-45 — Electrical Sign Contractor.</u>

Section 7008 authorizes the Board to adopt rules and regulations, in accordance with the Administrative Procedures Act, that are reasonably necessary to carry out the provisions of the chapter of the B&P Code. Section 7058 establishes the specialty contractor license classification and defines "specialty contractor" as "a contractor whose operations involve the performance of construction work requiring special skill and whose principal contracting business involves the use of specialized building trades or crafts." Section 7059 authorizes the Board to adopt rules and regulations that are reasonably necessary to effect the classification of contractors.

The existing regulation sets forth the scope of work for a C–45 Electrical Sign Contractor as it relates to the fabrication, installation, and erection of electrical signs.

This proposal would amend the regulation in order to clarify the definition of a C-45 Sign Contractor, which covers all types of signs, as opposed to the C-61 Limited Specialty — D-42 Sign Installation Contractor (recently renamed "Non-Electrical Sign Installation" Contractor), which covers only non-electrical sign installation.

<u>Amend Section 832A6 — Class C-46 — Solar Contractor.</u>

Section 7008 authorizes the Board to adopt rules and regulations, in accordance with the Administrative Procedures Act, that are reasonably necessary to carry out the provisions of the chapter of the B&P Code. Section 7058 establishes the specialty contractor license classification and defines "specialty contractor" as "a contractor whose operations involve the performance of construction work requiring special skill and whose principal contracting business involves the use of specialized building trades or crafts." Section 7059 authorizes the Board to adopt rules and regulations that are reasonably necessary to effect the classification of contractors.

The existing regulation sets forth the scope of work for a C–46 Solar Contractor as it relates to the installation, modification, maintenance, and repair of specific types of active solar energy systems.

This proposal would amend the regulation in order to update the definition of a C–46 Solar Contractor by deleting text that refers to specific and in some cases outdated types of solar energy systems. Instead, the definition would simply refer to thermal and photovoltaic solar energy systems to allow for new innovations that would also meet this definition.

<u>Repeal Section 842 — Applicants May Be Re-</u> Examined.

Section 7008 authorizes the Board to adopt rules and regulations, in accordance with the Administrative Procedures Act, that are reasonably necessary to carry out the provisions of the chapter of the B&P Code. Section 7065 requires the Registrar to investigate, classify, and qualify applicants for licensure by written examination, and sets forth related provisions. Section 7074 establishes criteria for voiding of applications. Section 7137 establishes the dollar amounts of the fees collected by the Board.

The existing regulation sets forth provisions relating to the reexamination of an applicant, specifically, two reexamination attempts in the part(s) failed upon request and payment of fees within 90 days of failure or failure to appear.

This proposal would repeal the regulation, because its provisions are inconsistent with the provisions of B&P Code Section 7074, which simply provides that an application will become void if the applicant has failed to pass the examination within 18 months after the application has been deemed acceptable by the Board. The statute does not limit the number of reexamination attempts that an applicant may make, simply the amount of time that the applicant has in which to successfully complete the exam.

<u>Amend Section 861 — License Number Required</u> in Advertising.

Section 7008 authorizes the Board to adopt rules and regulations, in accordance with the Administrative Procedures Act, that are reasonably necessary to carry out the provisions of the chapter of the B&P Code. Section 7030.5 requires every licensee to include its license number in all contracts, subcontracts and calls for bid, and all forms of advertising.

The existing regulation provides examples of advertising methods and authorizes the Registrar to grant exemptions from the vehicle advertising requirements to contractors with interstate practices, upon request that shows good cause.

This proposal would amend the regulation in order to update the types of advertising transmissions to include both airwave and electronic, and to delete the exemption provision, because the statute does not give the Registrar the authority to grant such exemptions.

Local Mandate

The proposed regulatory action does not impose a mandate on local agencies or school districts.

Fiscal Impact on Public Agencies/STD 399

The proposed regulatory action will not result in costs or savings to any state agency, costs or savings to any local agency or school district that is required to be reimbursed under Part 7 of Division 4 (commencing with Section 17500 of the Government Code), other non-discretionary costs or savings on local agencies, or costs or savings in federal funding to the state.

Cost Impact on Affected Private Persons

The Board is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Housing Costs

The proposed regulatory action will not have a significant effect on housing costs.

Effect on Small Business

The proposed regulatory action will not affect small businesses, because it simply clarifies and updates existing regulatory language to ensure consistency with statutory language and current contracting practices.

Contact Person

Inquiries or comments concerning the proposed administrative action may be addressed to:

Contractors State License Board 9821 Business Park Drive Sacramento, CA 95827 Attn: Michael Brown (916) 255–3939 (916) 255–1395 (FAX) mbrown@cslb.ca.gov The backup contact person is:

Betsy Figueira (916) 255–3369 (916) 255–6335 (FAX) bfigueira@cslb.ca.gov

Inquiries concerning the substance of the proposed regulations may be directed to Michael Brown at (916) 255–3939.

Comment Period

Written comments must be received by the Board at the Contractors State License Board, 9821 Business Park Drive, Sacramento, CA 95827 not later than April 20, 2009 at 5:00 p.m. or at the hearing to be held in the Board office at 1:00 p.m. on Monday, April 20, 2009.

Availability of Modifications

With the exception of technical or grammatical changes, the full text of any modified proposal will be available from the person designated in this notice as the contact person for 15 days prior to its adoption and will be mailed to those persons who submit written or oral testimony related to this proposed regulatory action or who have requested notification of any changes to the proposal.

Reference to Text and Initial Statement of Reasons

The Board has prepared a statement of the reasons for the proposed action, which is available to the public upon request. The express terms of the proposed action and all information upon which the proposal is based are available upon request.

Business Impact

CSLB is not aware of any significant statewide adverse economic impact that the proposed regulatory action will have directly affecting business, including the ability of California businesses to compete with businesses in other states, because it simply clarifies and updates existing regulatory language to ensure consistency with statutory language and current contracting practices.

Impact on Jobs/New Businesses

The proposed regulatory action will not affect the creation or elimination of jobs within the State of California, the creation of new businesses or the elimination of existing businesses within the State of California, or the expansion of businesses currently doing business within the State of California, because it simply clarifies and updates existing regulatory language to ensure consistency with statutory language and current contracting practices.

Public Hearing

A public hearing will be held at the Contractors State License Board, 9821 Business Park Drive, Sacramento, California 95827, at 1:00 p.m. on Monday, April 20, 2009.

Federal Mandate

The proposed regulatory action is not mandated by federal law or is not identical to any previously adopted or amended federal regulation.

Consideration of Alternatives

The Board must determine that no reasonable alternative which it considered or that has otherwise been identified and brought to its attention would be either more effective in carrying out the purpose for which the action is proposed or would be as effective as and less burdensome on affected private persons than the proposed regulatory action. The actual determination must be part of both the Initial and Final Statement of Reasons.

Availability of the Final Statement of Reasons

Interested parties may obtain a copy of the Final Statement of Reasons once it has been prepared by making a written request to the contact person named above.

Website Access

Materials regarding the proposed regulatory action can be found at www.cslb.ca.gov.

TITLE 17. CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC HEARING TO CONSIDER ADOPTION OF A PROPOSED REGULATION TO IMPLEMENT THE LOW CARBON FUEL STANDARD

The Air Resources Board (the Board or ARB) will conduct a public hearing at the time and place noted below to consider adoption of a regulation to implement the Low Carbon Fuel Standard (LCFS). The LCFS is intended to reduce, on a full–fuel, life–cycle basis, the carbon intensity of transportation fuels used in California.

DATE: April 23 – 24, 2009

TIME: 9:00 a.m.

PLACE: California Environmental Protection

Agency

Air Resources Board

Byron Sher Auditorium, Second Floor

1001 I Street

Sacramento, California 95814

This item will be considered at a two—day meeting of the ARB, which will commence at 9:00 a.m., April 23, 2009, and may continue at 8:30 a.m., April 24, 2009. This item may not be considered until Friday, April 24, 2009. Please consult the agenda for the meeting, which will be available at least 10 days before April 23, 2009,

to determine the day on which this item will be considered.

If you require special accommodations or language needs, please contact the Clerk of the Board at (916) 322–5594 or by Fax at (916) 322–3928 as soon as possible, but no later than 10 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

INFORMATIVE DIGEST OF PROPOSED ACTION AND POLICY STATEMENT OVERVIEW

Sections Affected: Proposed adoption of California Code of Regulations, title 17, new sections 95480, 95480.1, 95481, 95482, 95483, 95484, 95485, 95486, 95487, 95488, and 95489. The following documents and computer models would be incorporated in the regulation by reference: (1) ASTM D6751-08, "Standard Specification for Biodiesel Fuel Blend Stock (B100) for Middle Distillate Fuels;" (2) ASTM D4806–08, "Standard Specification for Denatured Fuel Ethanol for Blending with Gasolines for Use as Automotive Spark-Ignition Engine Fuel;" (3) ASTM D975-08ae1, "Standard Specification for Diesel Fuel Oils;" (4) ASTM D7467-08, "Specification for Diesel Fuel Oil, Biodiesel Blend (B6 to B20);" (5) ASTM E29-08, "Standard Practice for Using Significant Digits in Test Data to Determine Conformance with Specifications;" (6) the Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation model, modified to incorporate California-specific data ("CA-GREET"), version 1.8b; (7) the Global Trade Analysis Project (GTAP) Model; (8) "Renewable Energy Program: Overall Program Guidebook," 2nd Ed., California Energy Commission, Report No. CEC-300-2007-003-ED2-CMF, January 2008; and (9) "Guidance Document and Recommendations on the Types of Scientific Information Submitted by Applicants for California Fuels Environmental Multimedia Evaluations (Revised June 2008)," University of California, Davis, University of California, Berkeley, and Lawrence Livermore National Laboratory, available at http://www.arb.ca.gov/fuels/ multimedia/080608guidance.pdf.

Background:

In 2006, the Legislature passed and Governor Schwarzenegger signed the California Global Warming Solutions Act of 2006 (Assembly Bill 32; Stats. 2006, chapter 488). In Assembly Bill (AB) 32, the Legislature declared that global warming poses a serious threat to the economic well–being, public health, natural resources, and the environment of California. The Legislature further declared that global warming will have detrimental effects on some of California's largest industries, including agriculture and tourism, and will increase the strain on electricity supplies. While national

and international actions are necessary to fully address the issue of global warming, the Legislature recognized that action taken by California to reduce emissions of greenhouse gases (GHG) will have far–reaching effects by encouraging other states, the federal government, and other countries to act. AB 32 creates a comprehensive, multi–year program to reduce GHG emissions in California, with the overall goal of restoring emissions to 1990 levels by the year 2020. AB 32 requires ARB to take actions that include:

- Establishing a statewide GHG emissions cap for 2020, based on 1990 emissions;
- Adopting a scoping plan by January 1, 2009, indicating how emission reductions will be achieved from significant GHG sources via regulations, market mechanisms, and other actions;
- Adopting a list of discrete, early action GHG emission reduction measures by June 30, 2007, which can be implemented and enforced no later than January 1, 2010; and
- Adopting regulations by January 1, 2010, to implement the measures identified on the list of discrete early action measures.

In 2007, Governor Schwarzenegger signed Executive Order S–01–07. This executive order directed the ARB to determine if an LCFS for transportation fuels used in California can be adopted as a discrete early action measure pursuant to AB 32. If ARB so determines, Executive Order S–01–07 directs ARB to consider adoption of the LCFS on the list of early action measures required to be identified by June 30, 2007, pursuant to Heath and Safety Code section 38560.5. Executive Order S–01–07 further directs the ARB to draft the LCFS so that it reduces the carbon intensity of transportation fuels used in California by at least 10 percent by the year 2020.

In 2007, the Board approved a list of nine discrete early action measures. The list includes a measure entitled "Low Carbon Fuel Standard." The proposed regulation is designed to implement this measure pursuant to the requirements of AB 32 and Executive Order S-01-07.

Description of the Proposed Regulatory Action:

Overview

The proposed regulatory action would reduce GHG emissions by reducing the carbon intensity of trans-

portation fuels used in California by an average of 10 percent by the year 2020. Carbon intensity is a measure of the direct and indirect GHG emissions associated with each of the steps in the full fuel cycle of a transportation fuel (also referred to as the "well-to-wheels" for fossil fuels, or "seed or field-to-wheels" for biofuels). Depending on the circumstances, GHG emissions from each step can include carbon dioxide (CO₂), methane, nitrous oxide (N₂0), and other GHG contributors. Moreover, the overall GHG contributors. Moreover, the overall GHG contribution from each particular step is a function of the energy that the step requires. Thus, carbon intensity is typically expressed in terms of grams of CO₂ equivalent per mega–Joule (grams CO₂E/MJ).

The LCFS achieves a 10 percent reduction in average carbon intensity by starting specified providers of transportation fuels (referred to as "regulated parties") at an initial level and incrementally lowering the allowable carbon intensity for transportation fuels used in California in each subsequent year. A regulated party's overall carbon intensity for its pool of transportation fuels would then need to meet each year's specified carbon intensity level. Regulated parties can meet these annual carbon intensity levels with any combination of fuels they produce or supply and with LCFS credits acquired in previous years or from other regulated parties.

Applicability, Regulated Parties, and Fuels

In general, the regulation places compliance obligations initially on regulated parties that are upstream entities (i.e., producers and importers that are legally responsible for the quality of transportation fuels in California), rather than downstream distributors and fueling stations. However, under specified conditions, the regulated party may be another entity further downstream that can be held responsible for the carbon intensity of the fuels or blendstocks that they dispense in California.

For gasoline, diesel, and other liquid blendstocks (including oxygenates and biodiesel), the regulated party will generally be the producer or importer of the fuel or blendstock. With regard to compressed and liquefied natural gas derived from petroleum sources (fossil compressed natural gas (CNG) and fossil liquefied natural gas (LNG), respectively), the regulated party for fossil CNG will generally be the utility company, energy service provider, or other entity that owns the fuel dispensing equipment; for fossil LNG, it is the entity that owns the fuel when it is transferred to the fuel dispensing equipment in California. For other gaseous fuels (biogas/biomethane, hydrogen), the regulated party will generally be the person who produces the fuel and supplies it for vehicular use. For electricity, the regulated party will be either the load service entity (LSE) supplying the electricity to the vehicle or another party that has a mechanism to provide electricity to vehicles and has

¹ In addition to substantially reducing GHG emissions from transportation fuels, the LCFS is expected to help diversify the transportation fuels market in California, thereby cutting petroleum dependency and creating a sustainable and growing market for cleaner fuels. Governor's White Paper, *The Role of a Low Carbon Fuel Standard in Reducing Greenhouse Gas Emissions and Protecting Our Economy*, http://gov.ca.gov/index.php?/fact-sheet/5155/>.

assumed the LCFS compliance obligation. The proposal specifies the criteria under which a person would be deemed a regulated party for each particular fuel and how the responsibility of complying with the LCFS can be transferred.

With respect to the fuels, the LCFS applies, either on a compulsory or opt—in basis, to most types of fuels used for transportation in California, including:

- California reformulated gasoline;
- California diesel fuel;
- Compressed or liquefied natural gas;
- Electricity;
- Compressed or liquefied hydrogen;
- Any fuel blend containing hydrogen;
- Any fuel blend containing greater than 10 percent ethanol by volume;
- Any fuel blend containing biomass—based diesel;
- Neat denatured ethanol;
- Neat biomass–based diesel; and
- Any other liquid or non-liquid fuel not otherwise exempted from the regulation.

Voluntary Opt-In Provision

The proposed regulation includes an opt-in provision for certain alternative fuels that have full fuel-cycle carbon intensities that inherently meet the proposed compliance requirements through 2020. These fuels are electricity, hydrogen and hydrogen blends, fossil CNG derived from North American sources, biogas CNG, and biogas LNG. Regulated parties for these fuels are required to meet the LCFS requirements (e.g., reporting, credit balancing) only if they elect to generate credits based on these fuels as provided under the proposal. Generally, parties that opt into the LCFS program will be those parties that expect to generate LCFS credits under the regulation. By opting into the program, a person becomes a regulated party under the LCFS regulation and is required to meet the LCFS reporting obligations and requirements. The provisions for opting into the LCFS are set forth in the proposal.

Exemptions

The proposal exempts any alternative fuel that is not biomass—based or renewable biomass—based and for which the aggregated volume by all parties for that fuel is less than 420 million mega—Joules per year (3.6 million gasoline gallon equivalent per year). This is intended to exempt research fuels entering the market or very low volume niche fuels. Also, the proposal does not apply to regulated parties providing liquefied petroleum gas (LPG or propane).

There is also an exemption for specific applications of transportation fuels, including fuels used in aircraft, racing vehicles, interstate locomotives, ocean—going vessels, and military tactical vehicles. However, it is important to note that this exemption does not apply to intrastate locomotives and commercial harborcraft, for which the diesel fuel is already subject to the requirements in California Code of Regulations, title 17, section 93117 (i.e., required to use on–road California diesel). Because of this, the diesel fuel sold or offered for sale for use in intrastate locomotives and commercial harborcraft subject to California Code of Regulations, title 17, section 93117, would be treated the same as any other transportation fuel subject to the LCFS.

Transfer of Compliance Obligations and Regulated Party Status

As noted, certain persons are initially designated as regulated parties who are responsible for the LCFS compliance obligations. Except as provided in the proposal, this status as a regulated party generally remains with the initially designated party even if ownership to the fuel is transferred from one party to another. There are two major exceptions to this general rule. For California Reformulated Gasoline Blendstock for Oxygenate Bending (CARBOB) and diesel fuel, the compliance obligations would generally transfer to another producer or importer that receives CARBOB or diesel fuel from the initial regulated party, with provisions for the initial regulated party to retain the compliance obligation if so desired by the affected parties.

The principal rule noted above notwithstanding, the proposal generally allows the regulated party for a fuel to transfer its compliance obligations by written instrument to another party under specified conditions; the buyer or recipient of the transferred fuel, in turn, becomes the regulated party for that fuel. For a variety of reasons, the transfer of such compliance obligations, along with the potential for generating and selling credits, may be desirable for a company, and the proposal allows such transfers.

Fuel Pool Carbon Intensity Requirements

As noted, the LCFS achieves the goals of Executive Order S-01-07 by incrementally reducing the allowable carbon intensity of transportation fuel used in California. The LCFS does not limit the carbon intensity of individual batches or types of fuels, but it does require regulated parties to comply with annual, average carbon-intensity levels for the total amount of fuel they provide in California. The allowable carbon intensity of transportation fuels decreases each year, starting in 2011, until the carbon intensities of gasoline and diesel transportation fuels in 2020 are each reduced by 10 percent relative to 2010. Gasoline and diesel follow similar carbon intensity reduction curves from 2011 through 2020 and beyond. Under the proposal, the carbon intensity for alternative fuels (e.g., biofuels, natural gas, hydrogen, electricity) would be judged against either the

gasoline or diesel carbon intensity requirements, depending on whether the alternative fuel is used for light—and medium—duty vehicles or for heavy—duty vehicles, as specified in the regulation. In each year, the carbon intensity of each fuel is compared to the LCFS requirement for that year. Fuels that have carbon intensity levels below the requirement generate credits. Fuels with carbon intensity levels above the requirement create deficits. To comply with the LCFS for a given year, a regulated party must show that the total amount of credits equals or exceeds the deficits incurred. Excess credits can be retained or sold to other regulated parties.

Progress Reporting and Account Balance Reporting

The proposal provides for regulated parties to submit quarterly progress reports by specified dates. These quarterly progress reports are intended to ensure that regulated parties keep track of their ability to comply with the allowable carbon intensity at the end of the annual compliance period. The quarterly reports are required to contain a specified set of information and data, such as carbon intensities, fuel volumes sold or dispensed, fuel transfer information, and other information.

The annual account—balance reporting includes the information required for the quarterly reporting, along with additional information relating to the total credits and deficits generated during the year or carried over from the previous year; total credits acquired from another party; total credits transferred to other parties; credits generated and banked in the current year; and any deficits to be carried into the next year. All quarterly and annual reporting will be done via a Web—based, interactive form that ARB staff will establish prior to the implementation of the regulation.

Recordkeeping

Regulated parties will be required to maintain specified records in English for a minimum of three years. Upon request by the Executive Officer, regulated parties would need to provide such records within 48 hours or within a mutually agreed upon period of time.

Evidence of Physical Pathway

To ensure that low carbon fuels and blendstocks, produced outside of California, are actually the source of finished fuels used in the State, regulated parties will be required under the proposal to establish physical pathway evidence for transportation fuels subject to the LCFS. For each transportation fuel that a regulated party is responsible for under the LCFS, this could involve a four–part showing:

- A one-time demonstration that there exists a physical pathway by which the transportation fuel is expected to arrive in California. This includes applicable combination of truck delivery routes, rail tanker lines, gas/liquid pipelines, electricity transmission lines, and any other fuel distribution routes that, taken together, accurately account for the fuel's movement from the generator of the fuel, through intermediate entities, to the fuel blender, producer, or importer in California;
- Written evidence, by contract or similar evidence, showing that a specific volume of a particular transportation fuel with known carbon intensity was inserted into the physical pathway as directed by the regulated party;
- Written evidence, by contract or similar evidence, showing that an equal volume of that transportation fuel was removed from the physical pathway by the regulated party for use as a transportation fuel in California; and
- An update to the initial physical pathway demonstration whenever there are modifications to the initially demonstrated pathway.

Provisions Governing Credits and Deficits and Reconciliation of Shortfalls

Detailed equations and calculations are specified in the proposal for a regulated party to use in calculating its total credits and deficits within each compliance period. A regulated party will meet its annual compliance requirements if its credit balance, at the end of the compliance year, is greater than or equal to zero. Conversely, a regulated party is in deficit and may be in violation if its credit balance is less than zero at the end of a compliance year.

As noted, a regulated party whose credit balance is less than zero at the end of a compliance year is in deficit and may be in violation of the LCFS, depending on the magnitude of the shortfall. Shortfalls are categorized into two main categories. First, a regulated party that ends a compliance year with a significant credit balance shortfall, determined on a percentage basis, will be in violation of the LCFS and subject to a notice of violation and penalties commensurate with the size of the violation. In addition, the regulated party under that scenario must reconcile and remedy the shortfall within a specified period of time. By contrast, a regulated party that ends a compliance year with a relatively small shortfall (e.g., shortfall is 10% or less) will be required to reconcile the shortfall within the following year, as well as meet the compliance obligations that apply in that year.

It should be noted that, under the proposal, two or more consecutive years in a shortfall will be treated the same as a substantial credit balance shortfall, irrespective of the shortfall's size.

A regulated party may generate credits on a quarterly basis and unused credits may be banked without expiration. A non–regulated third party is prohibited from buying, selling, or trading LCFS credits unless that third party is acting on behalf of a regulated party. There is no prohibition against retiring or exporting LCFS credits to other GHG reduction initiatives, but importing credits from such external programs into the LCFS program would not be allowed.

Determination of Carbon Intensity Values

The carbon intensity values represent the currency upon which the LCFS is based. The carbon intensity is determined in two parts. The first part represents all of the direct emissions associated with producing, transporting, and using the fuel. This involves determining the amount of GHG emissions emitted per unit of energy for each of the steps in the fuel pathway. The second part considers other effects, including those caused by changes in land use. For some crop-based biofuels, staff has identified land use changes as a significant source of additional GHG emissions. Therefore, staff is proposing that emissions associated with land use changes be included in the carbon intensity values assigned to those fuels in the proposed regulation. No other significant effects that result in large GHG emissions have been identified that would substantially affect the LCFS framework for reducing the carbon intensity of transportation fuels.

To assess the direct emissions, staff used a modified version of the Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation (GREET) model. Argonne National Laboratories developed the original GREET model. The modified model, referred to as CA–GREET, was developed under contract with the California Energy Commission. Staff used the CA–GREET model as the primary method for calculating carbon intensity values for various transportation fuels.

CA–GREET is essentially a very large spreadsheet that incorporates many specific numeric values that allow for the calculation of the life cycle GHG emissions associated with producing, transporting, and using various fuels. Staff used CA–GREET to develop specific carbon intensities for a number of different pathways. For some fuels, multiple pathways were developed that represent differences in how and where the fuel is produced.

To assess the emissions from land use changes, staff used the Global Trade Analysis Project (GTAP) to estimate the GHG emissions impact. The GTAP model is discussed in the Staff Report and related Appendices. In general, the model evaluates the worldwide land use conversion associated with the production of crops for fuel production. Different types of land use have different rates of storing carbon. In general, multiplying the changes in land use times an emission factor per land conversion type results in an estimate of the GHG emissions impacts of land conversions.

The proposed regulation has several different methods for establishing carbon intensities. The first method, referred to as Method 1, establishes values in a Lookup Table for a number of specified fuel pathways. Regulated parties may choose to use these pathways to calculate credits and deficits. The staff is proposing that the Board approve this Lookup Table. The proposed regulation establishes that the Executive Officer may approve subsequent amendments to the Lookup Table after a specified public process.

Under specified conditions, regulated parties may also obtain Executive Officer approval to either modify the CA–GREET model inputs to reflect their specific processes (Method 2A) or to generate an additional pathway using CA–GREET (Method 2B). For both Method 2A and 2B, there is a scientific defensibility requirement for the regulated party to meet before the Executive Officer can approve new values. For Method 2A, there is an additional provision that requires a substantial change in the carbon intensity relative to the analogous value calculated for that pathway under Method 1.

For CARBOB, gasoline, and diesel fuel, there are specific provisions with regard to the method for determining carbon intensity values, depending on whether the crude oil used to make such fuels is derived from crude oils with high carbon intensity relative to the average carbon intensity of crude oils used in California refineries. Examples include certain crude oils produced from oil sands, oil shale, or other high carbon—intensity crude oils. With regard to CARBOB, gasoline, and diesel fuel made from crude oil extracted from any source other than these high carbon—intensity crude oils, the regulated party would be required to use the carbon intensity specified in the Lookup Table for that fuel

By contrast, for CARBOB, gasoline, and diesel fuel made from high carbon–intensity crude oil, the regulated party would be required to use the carbon intensity value, if any, which is specified in the Lookup Table for that particular pathway. If there is no carbon intensity value specified for a particular high carbon–intensity crude oil, the regulated party could use Method 2B (with Executive Officer approval) to generate an additional pathway for this type of crude. Alternately, the regulated party could use the standard Lookup Table

value, but only if the regulated party can demonstrate to the Executive Officer that:

 its crude production and transport carbonintensity value has been reduced to a specified level.

The proposed uses of Method 2A and 2B are subject to public review under the proposal. In other words, the Executive Officer may not approve a carbon intensity value proposed pursuant to Method 2A or 2B unless the proposed method and associated information submitted in support of that method has been disclosed to the public and available for public review for the prescribed time period. Trade secrets, as defined under State law, that are submitted would be treated in accordance with established ARB regulations and procedures (California Code of Regulations, title 17, sections 91000–91022) and the Public Records Act (Government Code § 6250 et seq.).

Executive Officer Review and Multimedia Evaluations

The proposal would require the Executive Officer to conduct a review of the LCFS implementation by January 1, 2012, the scope and content of which would be determined by the Executive Officer. In addition, staff expects to periodically review the LCFS, likely on a three year schedule. Therefore, the next review would be conducted by January 1, 2015.

Pursuant to Health and Safety Code section 43830.8(a), the Board may not adopt a regulation that establishes a specification for a motor vehicle fuel unless a multimedia evaluation for the regulation undergoes the review process specified in the statute. However, this multimedia requirement does not apply if the regulation does not establish a motor–vehicle fuel specification. Based on its assessment as discussed in the Staff Report, staff has determined that the proposed LCFS regulation, by itself, does not establish a motor–vehicle fuel specification and therefore does not trigger a multimedia evaluation requirement under Health and Safety Code section 43830.8(i).

While the proposal, by itself, does not establish motor–vehicle fuel specifications, we expect that as new, lower–carbon intensity fuels are developed over time, ARB may need to establish fuel specifications to allow the sale of such fuels in California. In those cases, we anticipate the need to conduct multimedia evaluations for the specific fuels. Indeed, ARB has a multimedia evaluation already underway for biodiesel and renewable diesel, for which we hope to establish new fuel specifications in a future rulemaking. Similar multimedia evaluations may be needed if ARB amends the specifications for 85% ethanol gasoline (E–85) and adopts a new biobutanol fuel specification. Therefore, the proposal contains provisions relating to multimedia evalu-

ations which, when applicable, would be conducted pursuant to Health and Safety Code section 43830.8.

Finally, the Staff Report includes a quantitative evaluation of GHG emissions generated during the production of biofuels by including both direct and indirect land use impacts in the carbon intensity values. Other issues with regard to the sustainability of alternative fuels will be evaluated by the staff and addressed in the next few years. This will require coordinating with other organizations on a national and international basis.

Environmental and Economic Impacts:

The following discussion summarizes the staff's analyses of the environmental and economic impacts of the LCSF. A more detailed discussion of these impacts can be found in the Staff Report.

Environmental Impacts

The proposed regulation is expected to significantly reduce emissions of greenhouse gases, such as CO₂, methane, nitrous oxide, and other GHG contributors from the use of transportation fuels subject to the LCFS. By 2020, the LCFS is expected to reduce the average carbon intensity of transportation fuels by about 10 percent relative to 2010. The LCFS is expected to reduce GHG emissions by about 15 million metric tons of carbon dioxide per year (15 MMT CO₂E) in the year 2020. To meet long term goals for GHG reductions identified in the Scoping Plan, staff intends to propose further strengthening of the rule in the future to require more than 10% reduction after 2020.

From an air quality perspective, staff identified criteria and toxic air pollutants from the different types of activities and operations that could be used to meet the requirements to the extent that data were available. This includes emissions from feedstock production, transportation, and distribution, fuel production, fuel transportation and distribution, as well as other miscellaneous activities. The analysis focused on regional and localized impacts in California.

Staff anticipates an increase in the number of ethanol, biodiesel, and renewable hydrocarbon production facilities (collectively "biorefineries") that would be needed to provide the fuels necessary to meet the LCFS requirements. Based on an assessment of availability, there may be sufficient volumes of feedstock in California to support approximately 25 additional biorefineries in California. The actual number and siting of these facilities is dependent upon many factors, including the location of the feedstock and the need to sufficiently mitigate environmental impacts pursuant to the California Environmental Quality Act (CEQA, Public Resources Code § 21000 et seq.) and obtaining necessary permits. These include permits from local air pollution control and air quality management districts (local districts).

Depending on the specific local district, permitting rules will likely require best available control technology and offsets for criteria pollutants, and an analysis of the localized toxic air pollutant impacts. These determinations will be made on a case—by—case basis with facility specific information.

Advanced biorefineries are generally in development and data are limited. However, staff has conducted and presented in the Staff Report an analysis of the criteria and toxic air pollutant emissions from several types of new biorefineries as part of the overall air quality analysis. The analysis presents both regional and localized emissions impacts. In addition, a cumulative impacts analysis was done on the siting of multiple facilities within a given area. In general, any direct emissions from biorefineries are likely to be mitigated as part of the CEQA process and local air district permitting actions. Therefore, staff expects no significant impact from these facilities on a regional basis. While some increases in localized emissions could occur, staff's analysis has not identified any significant criteria or toxic air pollutant impacts from biorefineries that would not be mitigated through local actions.

Staff also assessed potential other environmental impacts that might result from the implementation of the LCFS. Staff analyzed potential impacts on water quality and water use, agricultural resources, biological resources, hazardous waste and hazardous materials, solid waste, and transportation and other traffic, among others. Some biorefineries could use significant amounts of water which could result in significant impacts. As mentioned above, all new facilities would need to meet CEQA and agency permitting requirements, including requirements of the California Regional Water Quality Control Boards. Therefore, the final determination of impacts on water would need to be made on a site specific basis.

The LCFS will provide some additional incentives to use grid–powered batteries in plug–in hybrid vehicles and battery electric vehicles. However, this increase is not expected to have a significant adverse environmental impact on landfills because the disposal of such batteries is already subject to extensive regulation in the State, and automotive batteries are among the most highly recycled products today. Staff has not identified any other significant impact that would not otherwise be mitigated through agency permitting or CEQA compliance.

Economic Impacts

As discussed above, the proposal does not specify which combination of transportation fuels the regulated parties must provide to comply with the requirements, and it does not limit the carbon intensity of any particular fuel. However, to meet the LCFS, the fuel mix will

need to include alternative fuels that have lower carbon intensities than traditional fuels.

For the economic analysis of the LCFS, staff estimated the costs of producing the petroleum-based fuels—gasoline and diesel—and the costs of producing the lower carbon intensity transportation fuels that could be used in combination with petroleum fuels to meet the LCFS. The costs for the lower carbon intensity fuels include the capital costs for building new fuel production facilities, the operating costs associated with the facilities, and the distribution costs of the products. As discussed above, staff has identified that approximately 25 new biorefineries could be built in California based on an assessment of potential feedstocks. Therefore, staff has also provided cost estimates for the construction and maintenance of these facilities to the extent allowed by available data. In addition to liquid fuels, such as ethanol and biodiesel, staff assessed other lower carbon-intensity fuels, including electricity, hydrogen, and compressed natural gas (CNG).

Once staff estimated the overall production and distribution costs of the lower carbon intensity fuels, staff applied them to the possible compliance scenarios evaluated for both diesel fuel and gasoline. Each of these possible scenarios includes an assumed mix of fuels that satisfies the LCFS reduction targets for the overall fuel mix. The Staff Report discusses these possible scenarios in more detail.

Staff then evaluated the savings that would occur in each scenario due to the avoided cost of buying the traditional fuels that were displaced by the lower carbon–intensity transportation fuels. Next, for each of the possible compliance scenarios, staff estimated the net costs and savings. These, in turn, were used to calculate the regulation's cost–effectiveness, which is defined as net LCFS regulation costs (or savings), in dollars, divided by the carbon dioxide equivalent emissions reduced, in metric tons. Staff also estimated the fuel procurement costs or savings incurred by fuel providers to comply with the LCFS and how these costs or savings might be reflected in fuel prices. Using this information, staff then identified how these changes might affect businesses, consumers, and government agencies.

Staff estimates that the displacement of petroleum-based fuels with lower—carbon intensity fuels will result in an overall savings in the State. These savings may be realized by the biofuel producers as profit, or some of the savings may be passed on to the consumers. Staff understands that the economic analysis of the LCFS is greatly affected by future oil prices and the actual production costs and timing of lower—carbon intensity alternative fuels. Economic factors, such as tight supplies of lower—carbon intensity fuels or a lengthy economic downturn keeping crude demand and hence prices

down, could result in overall net costs, not savings, for the LCFS.

The combination of the federal RFS and the proposed LCFS regulation will result in a shift of capital from the petroleum sector to the agricultural, chemical, and electricity sectors. This redistribution of capital among these sectors is essential to the success of the LCFS and RFS. The diversification of California's transportation fuels, which requires a shift of capital from the petroleum sector, is consistent with well–established national and State policies.

Additional information on economic impacts is addressed in the economic impacts chapter of the Staff Report.

Peer Review:

Concurrent with this notice, staff will forward the Staff Report to the University of California for peer review pursuant to Health and Safety Code section 57004.

COMPARABLE FEDERAL REGULATIONS

There are no current federal regulations that are comparable to the proposed regulation. The U.S. Environmental Protection Agency (U.S. EPA) has adopted its Renewable Fuel Standard (RFS2) regulation — Code of Federal Regulations (CFR), title 40, part 80, section 1100 et seq. — that mandates the blending of specific volumes of renewable fuels into gasoline and diesel sold in the U.S. to achieve a specified ratio for each year (i.e., the renewable fuel standard). As defined, "renewable fuels" under the RFS superficially resembles the list of transportation fuels subject to the LCFS.² However, there are a number of reasons why the RFS is not comparable to the LCFS.

Congress adopted a renewable fuels standard in 2005 and strengthened it in December 2007 as part of the Energy Independence and Security Act (EISA). The RFS2 requires that 36 billion gallons of biofuels be sold annually by 2022, of which 21 billion gallons must be "advanced" biofuels and the other 15 billion gallons can be corn ethanol. The advanced biofuels are required to achieve at least 50% reduction from baseline lifecycle

GHG emissions, with a subcategory required to meet a 60% reduction target. These reduction targets are based on lifecycle emissions, including emissions from land use changes.

Although the RFS2 is a step in the right direction, the RFS2 volumetric mandate alone will not achieve the objectives of the LCFS. The RFS2 targets only biofuels and not other alternatives; therefore, the potential value of electricity, hydrogen, and natural gas are not considered in an overall program to reduce the carbon intensity of transportation fuels. In addition, the targets of 50% and 60% GHG reductions only establish the minimum requirements for biofuels. It forces biofuels into a small number of fixed categories and thereby stifles innovation. Finally, it exempts existing and planned corn ethanol production plants from the GHG requirements, thus providing no incentive for reducing the carbon intensity from these fuels.

By contrast, the LCFS regulates all transportation fuels, including biofuels and nonbiofuels, with a few narrow and specific exceptions. Thus, non–biofuels such as compressed natural gas, electricity, and hydrogen play important roles in the LCFS program. In addition, the LCFS encourages much greater innovation than the federal program by providing important incentives to continuously improve the carbon intensity of biofuels and to deploy other fuels with very low carbon intensities.

If California were to rely solely on the RFS2 (i.e., the "No LCFS" alternative), the State would not achieve the GHG emission reductions called for in AB 32 and Executive Order S–01–07. As noted in the Staff Report, RFS2, by itself, achieves only approximately 30% of the GHG reductions projected under the LCFS program.

Because of these differences, the federal RFS regulation is complementary but not comparable to the staff's proposal.

AVAILABILITY OF DOCUMENTS AND AGENCY CONTACT PERSONS

The Board staff has prepared a Staff Report: Initial Statement of Reasons (ISOR) for the proposed regulatory action, which includes a summary of the potential environmental and economic impacts of the proposal. The ISOR is entitled, "Staff Report: Initial Statement of Reasons for the Proposed Regulation to Implement the Low Carbon Fuel Standard."

Copies of the Staff Report with the full text of the proposed regulatory language may be accessed on the ARB's web site listed below, or may be obtained from the Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, 1st Floor, Sacramento, CA 95814, (916)

² 40 CFR §80.1101(d)(1) and (2) provides: (1) Renewable fuel is any motor vehicle fuel that is used to replace or reduce the quantity of fossil fuel present in a fuel mixture used to fuel a motor vehicle, and is produced from any of the following: (i) Grain; (ii) Starch; (iii) Oilseeds; (iv) Vegetable, animal, or fish materials including fats, greases, and oils; (v) Sugarcane; (vi) Sugar beets; (vii) Sugar components; (viii) Tobacco; (ix) Potatoes; (x) Other biomass; (xi) Natural gas produced from a biogas source, including a landfill, sewage waste treatment plant, feedlot, or other place where there is decaying organic material.

⁽²⁾ The term "Renewable fuel" includes cellulosic biomass ethanol, waste derived ethanol, biodiesel (mono–alkyl ester), non–ester renewable diesel, and blending components derived from renewable fuel.

322–2990, at least 45 days prior to the scheduled hearing on April 23–24, 2009.

Upon its completion, the Final Statement of Reasons (FSOR) will be available and copies may be requested from the agency contact persons in this notice, or may be accessed on the ARB's Web site listed below.

Inquiries concerning the substance of the proposed regulations may be directed to the designated agency contact persons, John Courtis, Manager of the Alternative Fuels Section, at (916) 323–2661, or Manisha Singh, Air Resources Engineer, at (916) 323–0014.

Further, the agency representative and designated back—up contact persons to whom nonsubstantive inquiries concerning the proposed administrative action may be directed are Lori Andreoni, Manager, Board Administration & Regulatory Coordination Unit, (916) 322–4011, or Amy Whiting, Regulations Coordinator, (916) 322–6533. The Board has compiled a record for this rulemaking action, which includes all the information upon which the proposal is based. This material is available for inspection upon request to the contact persons.

This notice, the Staff Report, including the proposed regulation, and all subsequent regulatory documents, including the FSOR, are available on the ARB Web site for this rulemaking at http://www.arb.ca.gov/regact/2009/lcfs09/lcfs09.htm.

COSTS TO PUBLIC AGENCIES AND TO BUSINESSES AND PERSONS AFFECTED

The determinations of the Board's Executive Officer concerning the costs or savings necessarily incurred by public agencies and private persons and businesses in reasonable compliance with the proposed regulations are presented below.

Costs to Local and State Government Agencies

Pursuant to Government Code section 11346.5(a)(5) and 11346.5(a)(6), the Executive Officer has determined that, except as discussed below, the proposed regulatory action would not create costs or savings to any State agency or in federal funding to the State, costs or mandate to any local agency or school district whether or not reimbursable by the State pursuant to Government Code, title 2, division 4, part 7 (commencing with section 17500), or other nondiscretionary cost or savings to State or local agencies.

The Executive Officer has determined that the proposed regulatory action would create costs to a State agency in the form of costs to ARB to implement and enforce the regulation and to contract with third parties to certify particular aspects of a regulated party's claimed fuel pathways. Staff estimates that the total costs to the ARB for implementation and enforcement

of the regulation, including contract costs to ARB for certification and enforcement, would be approximately \$5 million (2009 dollars) for the period from 2010 through 2020. Annual costs are expected to be about \$0.5 million per year. These annual costs are necessary to enforce the proposed regulation on an ongoing basis. This includes field inspections, reviewing records and reporting, and tracking regulated party compliance with the annual requirements. As mentioned earlier, ARB is considering a fee program that would pay for the costs to implement certain provisions of the proposed regulation related to the review and approval of alternative carbon intensity values for low carbon fuels.

The Executive Officer has determined that the proposed regulatory action would create costs to the State in the form of lost transportation—fuel taxes. The State excise tax for E–85 is nine cents per gallon instead of 18 cents per gallon for gasoline. Furthermore, staff expects the E–85 price to be less than the gasoline price, which affects sales tax. Staff estimates these costs to be \$80 million to \$360 million in 2020. Note that these estimates are dependent on the compliance path(s) chosen.

Impacts to local sales taxes would be location specific. Staff estimates that the impacts on local sales tax could range from a \$45 million loss in revenue to a \$2 million gain in revenue. Again, these estimates are dependent on the compliance path(s) chosen.

Costs to Businesses and Private Individuals

In developing this regulatory proposal, the ARB staff evaluated the potential economic impacts on representative private persons or businesses.

Representative businesses subject to the LCFS include large petroleum refiners, biofuel producers, utility companies, and energy service providers.

The Executive Officer has determined that the capital costs for a typical business subject to the LCFS range from \$0 to \$3 million. On average, we estimate the added annual costs for a typical business would be less than \$1 million per company. For all businesses subject to the LCFS, we estimate added annual costs to range from about \$5 million in 2010 (when implementation begins) to \$7 million in 2020 (the final year for the cost analysis).

Staff estimates that the proposal will result in overall savings in the State. These savings may be realized by the biofuel producers as profit, or some of the savings may be passed on to the consumers. Should the savings be entirely passed on to consumers, it would represent less than three percent of the total cost of a typical gallon of transportation fuel.

Furthermore, staff recognizes that the combination of the federal RFS and the proposed LCFS regulation will result in a shift of capital from the petroleum sector to the agricultural, chemical, and electricity sectors. Staff expects California's refineries to continue operating at capacity. The displaced petroleum products will be imported fuel blendstocks.

The Executive Officer has determined that, because the proposed regulation will result in overall savings in the State, there would be no significant impacts on businesses subject to the LCFS, California competitiveness of these businesses, or on individuals purchasing such transportation fuels subject to the LCFS, even if all these costs were passed on to the consumer. Biofuel producers are expected to eventually recoup their costs through the sale of low carbon intensity fuels, while consumers should see no significant changes in fuel prices to some savings.

The Executive Officer has made an initial determination that the proposed regulatory action would not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states, or on representative private persons.

Except as noted below, in accordance with Government Code section 11346.3, the Executive Officer has determined that the proposed regulatory action may create some new businesses and jobs, although it would not significantly affect the creation or elimination of jobs within the State of California, the creation of new businesses or elimination of existing businesses within the State of California, or the expansion of businesses currently doing business within the State of California. The Executive Officer has determined that there is a possibility the proposed regulatory action will result in a positive impact on business creation due to construction and operation of new biorefineries and development of low-carbon alternative fuel infrastructure. A detailed assessment of the economic impacts of the proposed regulatory action can be found in the ISOR.

The Executive Officer has also determined that, pursuant to California Code of Regulations, title 1, section 4, the proposed regulatory action would affect small businesses.

In accordance with Government Code section 11346.3(c) and 11346.5(a)(11), the Executive Officer has found that the reporting requirements of the regulations that apply to businesses are necessary for the health, safety, and welfare of the people of the State of California.

In accordance with Health and Safety Code sections 43013(a) and (b), the Executive Officer has determined that the standards and other requirements in the proposed regulation are necessary, cost–effective, and technologically feasible for producers, importers, blenders, refiners, and other regulated parties subject to the LCFS. The reporting requirements are necessary for the enforcement of the regulation. Without effective enforcement, we cannot achieve the GHG emission re-

ductions and public health benefits associated with the proposed regulation.

Before taking final action on the proposed regulatory action, the Board must determine that no reasonable alternative considered by the agency or that has otherwise been identified and brought to the attention of the agency would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.

SUBMITTAL OF COMMENTS

The public may present comments relating to this matter orally or in writing at the hearing, and in writing or by e-mail before the hearing. To be considered by the Board, written submissions must be received **no later than 12:00 noon, Pacific Standard Time, April 22, 2008,** and addressed to the following:

- Postal mail: Clerk of the Board, Air Resources
 Board
 1001 I Street, Sacramento,
 California 95814
- Electronic submittal: http://www.arb.ca.gov/lispub/comm/bclist.php
- Facsimile submittal: (916) 322–3928

Please note that under the California Public Records Act (Government Code section 6250 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request. Additionally, this information may become available via Google, Yahoo, and other search engines.

The Board requests but does not require 30 copies of any written submission. The Board also requests that written, facsimile, and e-mail statements be filed at least 10 days prior to the hearing so that ARB staff and Board Members have time to fully consider each comment. The ARB encourages members of the public to bring to the attention of staff in advance of the hearing any suggestions for modification of the proposed regulatory action.

Additionally, the Board requests but does not require that persons who submit written comments to the Board reference the title of the proposal in their comments to facilitate review.

STATUTORY AUTHORITY AND REFERENCES

This regulatory action is proposed under the authority granted to ARB in sections 38510, 38560, 38560.5, 38571, 38580, 39600, 39601, 41510, 41511, 43013, and 43018, Health and Safety Code; and *Western Oil*

and Gas Ass'n v. Orange County Air Pollution Control District, 14 Cal.3rd 411, 121 Cal.Rptr. 249 (1975). This regulatory action is proposed to implement, interpret, or make specific sections 38501, 38510, 38560, 38560.5, 38571, 38580, 39000, 39001, 39002, 39003, 39515, 39516, 41510, 41511, 43013, and 43018, Health and Safety Code; and Western Oil and Gas Ass'n v. Orange County Air Pollution Control District, 14 Cal.3rd 411, 121 Cal. Rptr. 249 (1975).

HEARING PROCEDURES

The public hearing will be conducted in accordance with the California Administrative Procedure Act, title 2, division 3, part 1, chapter 3.5 (commencing with section 11340) of the Government Code.

Following the public hearing, the ARB may adopt the regulatory language as originally proposed or with non–substantial or grammatical modifications. The Board may also adopt the proposed regulatory language with other modifications if the text as modified is sufficiently related to the originally proposed text that the public was adequately placed on notice that the regulatory language as modified could result from the proposed regulatory action. In the event that such modifications are made, the full regulatory text, with the modifications clearly indicated, will be made available to the public for written comment at least 15 days before it is adopted. Modifications that may be made include, but are not limited to:

- (1) Inclusion of language that would, enumerate specific acts prohibited under the regulation, and inclusion of a method to convert a violation of the regulation into the number of days in violation, where appropriate, as provided in section 38580(b)(3) of the Health and Safety Code.
- (2) Inclusion of a schedule of fees, to be paid by the regulated parties, to fund the use of third–party services. These third–party services would be used to substantiate fuel pathways and other information submitted to the Executive Officer under the LCFS. The tracking of credit trades and acquisitions may also be funded by these fees.
- (3) Inclusion of provisions that would further discourage major shortfalls. Possible approaches include requiring regulated parties with a major shortfall in credits (i.e., greater than a specified level as set forth in the proposal) to reconcile, in the following compliance year, an amount of tons of CO₂E equal to the amount of the shortfall times a specified multiplier. The multiplier may be established so that it is proportional to the magnitude of the shortfall.

The public may request a copy of the modified regulatory text from the ARB's Public Information Office,

Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, 1st Floor, Sacramento, California 95814, (916) 322–2990.

TITLE 18. BOARD OF EQUALIZATION

BY NOTICE dated January 2, 2009, and published in the January 2, 2009, California Regulatory Notice Register 2009, Number 1–Z, the State Board of Equalization, announced that it would conduct a public hearing on March 16, 2009, to consider proposed amendments to Regulation 6001, *General Provision Conflict of Interest* in Title 18, Division 2.1, of the California Code of Regulations. A decision was made to reschedule the public hearing on the proposed regulation to be held on **March 16, 2009** to **April 16, 2009**, in Room 121, 450 N Street, Sacramento, CA at 9:30 a.m., or as soon thereafter as the matter may be heard.

Questions regarding the content of the proposed regulation should be directed to Ms. Blanca Breeze, Tax Counsel IV, telephone (916) 457–7220, fax (916) 323–3387, email <u>BlancaBreeze@boe.ca.gov</u> or by mail at State Board of Equalization, Attn: Blanca Breeze, MIC:82, P. O. Box 942879, Sacramento, CA 94279–0082.

Written comments for the Board's consideration, notice of intent to present testimony or witnesses at the public hearing, and inquiries concerning the proposed administrative action should be directed to Mr. Richard Bennion, Regulations Coordinator, telephone (916) 445–2130, fax (916) 324–3984, e-mail Richard.Bennion@boe.ca.gov or by mail at State Board of Equalization, Attn: Richard Bennion, MIC:80, P.O. Box 942879, 450 N Street, Sacramento, CA 94279–0080 by April 15, 2008.

TITLE 22. EMPLOYMENT DEVELOPMENT DEPARTMENT

Amendment of Title 22, California Code of Regulations, Sections 926–3, 926–4, and 926–5

TAXABLE VALUE OF MEALS AND LODGING

Notice of Proposed Rulemaking

The Employment Development Department (Department) proposes to amend California Code of Regulations (CCR), title 22, sections 926–3, 926–4, and 926–5, by increasing the taxable value of meals and lodging furnished to employees by employers for calendar year 2009. These increases are due to inflation.

The Department will adopt these amendments after considering all comments, objections, or recommendations regarding the proposed action.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

CCR, title 22, sections 926–3, 926–4, and 926–5, provide the taxable value of meals and lodging furnished to employees by employers. In order to establish the equivalent amount of cash wages paid by employers who pay a portion of their employee's wages in the form of meals or lodging it is necessary to compute the reasonable cash value of such meals and lodging for unemployment insurance purposes. The Department makes this computation each calendar year to reflect the upward or downward trend in the cost of living during the previous calendar year. This yearly computation ensures an accurate and up—to—date calculation of the taxable values of meals and lodging for purposes of "wages" within the meaning of Unemployment Insurance Code (UIC) section 926.

According to the United States Department of Labor, Bureau of Labor Statistics [http://data.bls.gov/cgi-bin/srgate], the average retail food price index for fiscal year 2007–2008 was 215.6, up 512.5 percent from the average of 35.2 for the base year 1968–69. The average residential rent index for the fiscal year 2007–2008 was 275.5. This is 519.1 percent above the average residential rent index of 44.5 for the base year ended June 30, 1973. The Department uses 1968–1969 as the base year for food and 1972–1973 as the base year for rent because these are the years used by the Bureau of Labor Statistics.

These regulations are being amended to reflect, in substantially the same ratio, the increases in the retail food price index and residential rent index which occurred during the fiscal year ended June 30, 2008.

Notwithstanding sections 926–3(a)(2), 926–4(a)(2), and 926–5(a)(2)(A) of CCR, title 22, which state in part: "For the calendar year 2009 and thereafter, except as modified herein . . .", the Department recognizes that the amendments made to these sections will not become effective until the regulations are approved by the Office of Administrative Law.

Section 926-3.

This regulatory action will amend section 926–3, relating to the taxable value of board and lodging. In 2009 and thereafter until modified, the taxable value of three meals per day is raised from \$9.60 to \$10.00. The taxable value of breakfast is raised from \$2.10 to \$2.20. The taxable value of lunch is raised from \$2.90 to \$3.00. The taxable value of dinner is raised from \$4.60 to \$4.80. The taxable value of lodging is raised from \$1,092.00 to \$1,145.00 monthly maximum, and from \$35.40 to \$37.20 weekly minimum.

Section 926-4.

This regulatory action will amend section 926–4, relating to the taxable value of meals and quarters furnished to officers and crewmen aboard vessels. In 2009 and thereafter until modified, the taxable value of daily meals is increased from \$9.60 to \$10.00. The taxable value of quarters is increased from \$5.00 to \$5.30 daily for unlicensed personnel. The taxable value of quarters is increased from \$7.40 to \$7.70 daily for licensed personnel.

Section 926-5.

This regulatory action will amend section 926–5, relating to the taxable value of meals and quarters received by fishermen aboard fishing vessels. In 2009 and thereafter until modified, the taxable value of quarters is increased from \$35.40 to \$37.20 a week, or from \$5.00 to \$5.30 a day for periods of less than a week under specified conditions.

Authority and Reference:

Authority: Sections 305, 306 and 310, Unemployment Insurance Code.

Reference: Section 926, Unemployment Insurance Code.

Fiscal Impact:

Anticipated costs or savings in federal funding to the State: None

Anticipated costs or savings to any State Agency: None

Anticipated costs or savings to any local agency or school district: None

Significant statewide adverse economic impact: Approximately 600,478 businesses and small businesses will be affected statewide by these regulations. The types of businesses affected include fisheries, apartment complexes, residential care facilities, restaurants and eating establishments, and private households. The total statewide cost to businesses and small businesses is anticipated to be \$4.8 million, however, the cost to individual businesses is minimal. The regulation does not impose any new reporting requirements on businesses.

The Department has made an initial determination that the proposed amendments will not have a significant statewide adverse economic impact directly affecting businesses including the ability of California businesses to compete with businesses in other states. The Department has determined that the proposed amendments will not affect the creation or elimination of jobs within the State of California; the creation of new businesses or the elimination of existing businesses within the State of California; or the expansion of businesses currently doing business within the State of California.

The costs impact on representative persons or businesses: These proposed amendments will affect

only those businesses who furnish meals or lodging to their employees. The Department anticipates that the fiscal impact to the businesses will be negligible.

Anticipated impact on housing costs: These proposed amendments will have no effect on housing costs.

Anticipated nondiscretionary costs or savings imposed upon local agencies: None

Small Business Impact:

These proposed amendments will not have a significant impact on small businesses since the changes reflect small inflationary increases in the taxable value of meals and lodging for purposes of wages within the meaning of section 926 of the UIC. Essentially, the proposed amendments will only accelerate the point at which an employee reaches the maximum taxable wage limit for the calendar year.

Local Mandate Determination:

The Department has determined that these proposed amendments will not impose any new mandates on school districts or other local governmental agencies or any mandates which must be reimbursed by the State pursuant to Part 7 (commencing with section 17500), of Division 4 of the Government Code.

Consideration of Alternatives:

In accordance with section 11346.5(a)(13) of the Government Code, the Department must determine that no reasonable alternative considered or that has otherwise been identified and brought to the attention of the Department would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed regulatory amendments.

Written Comment Period:

Any interested person, or his or her authorized representative, may submit written comments on the proposed action to Laura Colozzi via U.S. mail, e-mail, or fax (see U.S. mail and e-mail addresses and fax number indicated below). E-mail comments should include true name and mailing address of the commentor. Written comments submitted via U.S. mail, e-mail, or fax, must be received by the Department no later than April 20, 2009, at 5 p.m. Please submit any written comments before that time. The Department cannot accept written comments after the close of the public comment period.

CONTACT PERSONS

Inquiries or comments should be directed to:

(Mailing address) Laura Colozzi, Legal

Analyst

Employment Development

Department P. O. Box 826880 Legal Office, MIC 53 Sacramento, CA 94280–0001

(Hand delivery) Laura Colozzi, Legal

Analyst

Employment Development

Department

800 Capitol Mall, Room

5020

Legal Office, MIC 53 Sacramento, CA 95814

Telephone No.: (916) 654–7712 Fax No.: (916) 654–9069 E–Mail Address: eddlegal@edd.ca.gov

<u>Note:</u> In the event Laura is unavailable, inquiries should be directed to the following backup contact persons at the same address as noted above:

Name: Penny Ayers, Legal Analyst

Telephone No.: (916) 654–8410

Questions regarding the substance of the proposed regulatory action should be directed to:

Name: Estela Gallawa, Staff Counsel

Telephone No.: (916) 654–8410

INTERNET WEBSITE ACCESS

The Department has posted on its internet website http://www.edd.ca.gov materials regarding the proposed regulatory action. Select "Proposed Regulations."

Public Hearing:

No public hearing has been scheduled on the proposed action. However, if any person desires to submit oral comments, the Department will schedule a public hearing upon that person's written request. Such request must be received no later than 15 days prior to the close of the written comment period which is 5 p.m. on April 20, 2009. A request for hearing can be made by contacting the persons noted above.

Modification of Proposed Action:

If the Department makes any additional changes based on public testimony, those changes (other than nonsubstantial or solely grammatical modifications) will be made available for public comment for at least 15 days before they are adopted. Copies of any additional changes regarding the proposed regulatory action will be mailed to all persons who testified or submitted written comments at the public hearing (if one is scheduled); whose comments were received by the agency during the public comment period; and who requested notification from the agency of the availability of such changes.

Final Statement of Reasons:

After the close of the 45–day public comment period, the Department will summarize and respond to all public comments in a written final statement of reasons. To obtain a copy of the final statement of reasons, contact the persons noted above, or access the Department's Internet website at http://www.edd.ca.gov.

Further Information:

The Department has prepared and has available for review, upon request, the text of the proposed regulations discussed in this notice, written in plain English; a statement of reasons setting forth the purpose of the proposed regulations; and the information upon which the Department relied in proposing the regulations. (If you received this notice by mail, a copy of the text of the proposed regulations and the statement of reasons were enclosed.) To obtain a copy, contact the persons noted above, or access the Department's Internet website at http://www.edd.ca.gov.

All the information upon which the proposed regulations are based is contained in the rulemaking file, which is available for public review. For inquiries regarding the rulemaking file or the regulations' process, contact the persons noted above.

TITLE 24. BUILDING STANDARDS COMMISSION

NOTICE OF PROPOSED CHANGES
TO
BUILDING STANDARDS
OF THE
CALIFORNIA BUILDING STANDARDS
COMMISSION (CBSC)

REGARDING THE 2007 CALIFORNIA ADMINISTRATIVE CODE CALIFORNIA CODE OF REGULATIONS, TITLE 24, PART 1

AMEND ARTICLE 1-9 AND ADD NEW ARTICLE 1-10 IN CHAPTER 1 OF PART 1

Notice is hereby given that CBSC proposes to adopt, approve, codify, and publish changes to building stan-

dards contained in the California Code of Regulations, Title 24, Part 1, the 2007 California Administrative Code. CBSC is proposing building standards related to implementation of Senate Bill 1473 (Stats. 2008, c. 719) in a new Article 1–10 in Chapter 1.

PUBLIC COMMENT PERIOD

A public hearing has not been scheduled; however, written comments will be accepted from March 6, 2009, until 5:00 p.m. on April 20, 2009. Please address your comments to:

California Building Standards Commission 2525 Natomas Park Drive, Suite 130 Sacramento, CA 95833 Attention: Dave Walls, Executive Director

Written Comments may also be faxed to (916) 263–0959 or E-mailed to CBSC@dgs.ca.gov.

Pursuant to Government Code Section 11346.5(a)(17), any interested person or his or her duly authorized representative may request, no later than 15 days prior to the close of the written comment period, that a public hearing be held.

POST-HEARING MODIFICATIONS TO THE TEXT OF THE REGULATIONS

Following the public comment period, CBSC may adopt the proposed building standards substantially as proposed in this notice or with modifications that are sufficiently related to the original proposed text and notice of proposed changes. If modifications are made, the full text of the proposed modifications, clearly indicated, will be made available to the public for at least 15 days prior to the date on which CBSC adopts, amends, or repeals the regulation(s). CBSC will accept written comments on the modified building standards during the 15–day period.

NOTE: To be notified of any modifications, you must submit written/oral comments or request that you be notified of any modifications.

AUTHORITY AND REFERENCE

CBSC proposes to adopt these building standards under the authority granted by Health and Safety Code (H&SC) §§18925 and 18929(a). The purpose of these building standards is to implement, interpret, and make specific the provisions of H&SC §§18931.6 and 18931.7.

INFORMATIVE DIGEST

Summary of Existing Laws

California Building Standards Law (H&SC §§18901 through 18949) grants to CBSC the authority to adopt

and approve building standards for publication in Title 24. H&SC §18929 provides that regulations relating to the implementation or enforcement of building standards be published in the administrative part of the California Building Standards Code.

H&SC §18927 provides that CBSC may appoint advisory panels to advise the commission and its staff with regard to building standards. The persons appointed to the panels must be specifically knowledgeable and qualified in the type of work embraced by the building standards in question.

H&SC §§18931.6 and 18931.7 requires that cities, counties or cities and counties collect from building permit applicants a fee. The fee is to be sent to CBSC for deposit in a Building Standards Administration Special Revolving Fund. Moneys deposited in the fund are to be available, upon appropriation, to CBSC, the Department of Housing and Community Development, and the Office of the State Fire Marshal for expenditure in carrying out the provisions of California Building Standards Law, with emphasis placed on the development, adoption, publication, updating, and educational efforts associated with green building standards.

Summary of Existing Regulations

Chapter 1 of Part 1 contains the administrative regulations of CBSC in nine articles, describing duties and procedures to be followed in implementation of California Building Standards Law. The standards are intended to ensure the public's participation in the regulatory process for building standards and establish various Code Advisory Committees to advise the commission with regard to the action to be taken on proposed building standards.

Summary of Effect

This proposed action will amend Article 1–9 to add a Green Building Code Advisory Committee for advising the commission on actions to be taken regarding proposed green building standards, and add Article 1–10, City, County, and City and County Building Permit Fees, to implement and interpret the provisions of H&SC §§18931.6 and 18931.7.

Comparable Federal Statute or Regulations

CBSC is not aware of comparable federal statute or regulations.

Policy Statement Overview

The proposed regulations will amend Article 1–9 to add the Green Building Code Advisory Committee to provide technical review of green building standards. Also, the regulations will add Article 1–10 to clarify the provisions of H&SC §§18931.6 and 18931.7 by defining terms, how the fee is to be assessed, and how the fee is to be collected.

OTHER MATTERS PRESCRIBED BY STATUTE APPLICABLE TO THE AGENCY OR TO ANY SPECIFIC REGULATION OR CLASS OF REGULATIONS

CBSC has determined that there are no other matters prescribed by statute applicable to the agency or to any specific regulation or class of regulations.

MANDATE ON LOCAL AGENCIES OR SCHOOL DISTRICTS

CBSC has determined that the proposed regulatory action would not impose a mandate on local agencies or school districts and does not require reimbursement pursuant to Part 7 (commencing with section 17500) of Division 4, Government Code.

ESTIMATE OF COST OR SAVINGS

- A. Cost or Savings to any state agency: **NONE**
- B. Cost to any local agency required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4: **NONE**
- C. Cost to any school district required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4: **NONE**
- D. Other nondiscretionary cost or savings imposed on local agencies: **NONE**
- E. Cost or savings in federal funding to the state: **NONE**

INITIAL DETERMINATION OF NO SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT ON BUSINESSES

CBSC has made an initial determination that the adoption of this regulation will not have a significant statewide adverse economic impact on businesses, including the ability of California businesses to compete with business in other states. The regulations interpret a statutory requirement to collect a fee from building permit applicants.

DECLARATION OF EVIDENCE

CBSC's initial determination of no significant, statewide adverse economic impact directly affecting business in California and their ability to compete with businesses in other states does not require any additional evidence, documents or other evidence to support this action.

FINDING OF NECESSITY FOR THE PUBLIC'S HEALTH, SAFETY, OR WELFARE

CBSC has made an assessment of the proposed code changes and has determined that these changes do not require a report.

COST IMPACT ON REPRESENTATIVE PRIVATE PERSON OR BUSINESS

CBSC is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. Any cost impacts would arise from compliance with the statute being interpreted and implemented by these regulations.

ASSESSMENT OF EFFECT OF REGULATIONS UPON JOBS AND BUSINESS EXPANSION, ELIMINATION OR CREATION

CBSC has assessed whether or not and to what extent this proposal will affect the following:

- ☐ The creation or elimination of jobs within the State of California.
 - These regulations will not effect the creation of or elimination of jobs within the State of California.
- ☐ The creation of new businesses or the elimination of existing businesses within the State of California
 - These regulations will not effect the creation of or the elimination of existing business within the State of California.
- ☐ The expansion of businesses currently doing business with the State of California.
 - These regulations will not affect the expansion of businesses currently doing business within the State of California.

INITIAL DETERMINATION OF SIGNIFICANT EFFECT ON HOUSING COSTS

CBSC has made an initial determination that this proposal would not have a significant effect on housing costs. Any cost impacts would arise from compliance with the statute being interpreted and implemented by these regulations.

CONSIDERATION OF ALTERNATIVES

CBSC must determine that no reasonable alternative considered by the state agency or that has otherwise been identified and brought to the attention of the agency would be more effective in carrying out the purpose for which the action is proposed or would be as ef-

fective and less burdensome to affected private persons than the proposed action.

AVAILABILITY OF RULEMAKING DOCUMENTS

All of the information upon which the proposed regulations are based is contained in the rulemaking file, which is available for public review, by contacting the person named below. This notice, the Express Terms and Initial Statement of Reasons can be accessed from CBSC's website:

http://www.bsc.ca.gov/

Interested parties may obtain a copy of the Final Statement of Reasons once it has been prepared, by making a written request to the contact person named below or at CBSC's website.

CBSC CONTACT PERSON FOR PROCEDURAL AND ADMINISTRATIVE QUESTIONS

General questions regarding procedural and administrative issues should be addressed to:

Jane Taylor, jane.taylor@dgs.ca.gov Michael Nearman, michael.nearman@dgs.ca.gov 2525 Natomas Park Drive, Suite 130 Sacramento, CA 95833

Telephone No.: (916) 263–0916 Facsimile No.: (916) 263–0959

PROPOSING STATE AGENCY CONTACT PERSON FOR SUBSTANTIVE AND/OR TECHNICAL QUESTIONS ON THE PROPOSED CHANGES TO BUILDING STANDARDS

Specific questions regarding the substantive and/or technical aspects of the proposed changes to the building standards should be addressed to:

Jane Taylor, jane.taylor@dgs.ca.gov
Tom Morrison, tom.morrison@dgs.ca.gov
2525 Natomas Park Drive, Suite 130
Sacramento, CA 95833

Telephone No.: (916) 263–0916 Facsimile No.: (916) 263–0959

GENERAL PUBLIC INTEREST

TITLE 2 DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING

NOTICE IS HEREBY GIVEN that the prospective contractors listed below have been required to submit a Nondiscrimination Program (NDP) or a California Employer Identification Report (CEIR) to the Department of Fair Employment and Housing, in accordance with the provisions of Government Code Section 12990. No such program or (CEIR) has been submitted and the prospective contractors are ineligible to enter into State contracts. The prospective contractor's signature on Standard Form 17A, 17B, or 19, therefore, does not constitute a valid self–certification. Until further notice, each of these prospective contractors in order to submit a responsive bid must present evidence that its Nondiscrimination Program has been certified by the Department.

ASIX Communications, Inc. DBA ASI Telesystems, Inc. 21150 Califa Street Woodland Hills, CA 91367

Bay Recycling 800 77th Avenue Oakland, CA 94621

C & C Disposal Service P.O. Box 234 Rocklin, CA 95677

Choi Engineering Corp. 286 Greenhouse Marketplace, Suite 329 San Leandro, CA 94579

Fries Landscaping 25421 Clough Escalon, CA 95320

Marinda Moving, Inc. 8010 Betty Lou Drive Sacramento, CA 95828

MI–LOR Corporation P.O. Box 60 Leominster, MA 01453

Peoples Ridesharing 323 Fremont Street San Francisco, CA 94105

San Diego Physicians & Surgeons Hospital 446 26th Street San Diego, CA Southern CA Chemicals 8851 Dice Road Santa Fe Springs, CA 90670 Tanemura and Antle Co. 1400 Schilling Place Salinas, CA 93912

Turtle Building Maintenance Co. 8132 Darien Circle Sacramento, CA 95828 Univ Research Foundation 8422 La Jolla Shore Dr. La Jolla, CA 92037

Vandergoot Equipment Co. P.O. Box 925 Middletown, CA 95461

DEPARTMENT OF FISH AND GAME

Department of Fish and Game —
Public Interest Notice
For Publication March 6, 2009
PROPOSED RECOVERY ACTIONS FOR A
FULLY PROTECTED SPECIES
Recovery actions for California Black Rail
at the Morro Bay estuary
(Laterallus jamaicensis coterniculus)

The Department has received a proposal from the Morro Coast Audubon Society to conduct California Black Rail (CA BLRA) call—broadcast surveys at the Morro Bay estuary. Previous records indicate the presence of the CA BLRA at the Morro Bay estuary, however, its current status and distribution around the bay is poorly understood. Also, there is some evidence, though inconclusive, that CA BLRA distribution around the estuary may be more dispersed outside of the breeding season. The ultimate goal of the plan is to begin standardized, repeatable surveys to determine the presence or absence of CA BLRA at designated survey points at the Morro Bay estuary in order to assess the current population status, population trends, and habitat locations supporting these rails.

Completion of the following project objectives will enhance the ability of local and statewide wildlife managers to monitor the status of CA BLRA and plan towards achieving recovery goals for the species:

- 1) Design a comprehensive array of CA BLRA survey points within the Morro Bay estuary
- Determine the presence or absence of CA BLRA at these survey points during the breeding season and winter using standardized protocols
- 3) Characterize the vegetation and habitat features associated with CA BLRA presence at Morro Bay

4) Distribute the project final report and all relevant data to the following agencies and interested parties: Department of Fish and Game (Department), California State Parks, the California Natural Diversity Database, the Morro Bay National Estuary Program, and the Point Reyes Bird Observatory

Call–broadcast survey protocols will be consistent with the Standardized North American Marsh Bird Monitoring Protocols. Vegetation and habitat assessments at each survey point will consist of a simple visual assessment within a 50 meter radius. The habitat assessment will be conducted at the survey point and will not involve extensive walking through the marsh environment. More detailed descriptions of the call–broadcast and habitat assessment protocols can be obtained by contacting the Morro Coast Audubon Society, 801 Embarcadero Suite 14, Morro Bay, CA 93443.

The CA BLRA is a State Fully Protected bird and a State—listed Threatened species. The applicant and any assistants are required to have a Scientific Collecting Permit (SCP) and additional special authorization from the Department for research on Fully Protected species.

Pursuant to California Fish and Game Code (FGC) Section 5050, the Department may authorize take of Fully Protected birds after 30 days notice has been provided to affected and interested parties through publication of this notice. If the Department determines that the proposed research is consistent with the requirements of FGC Section 5050 for take of Fully Protected birds, it would issue the authorization on or after April 6, 2009. Contact: Wildlife Branch, 1812 Ninth Street, Sacramento, CA 95811, Attn.: Dale Steele.

PROPOSITION 65

OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT

CALIFORNIA ENVIRONMENTAL
PROTECTION AGENCY
OFFICE OF ENVIRONMENTAL HEALTH
HAZARD ASSESSMENT

SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65)

NOTICE TO INTERESTED PARTIES March 6, 2009

PRIORITIZATION: CHEMICALS FOR CONSULTATION BY THE CARCINOGEN IDENTIFICATION COMMITTEE

The California Environmental Protection Agency's Office of Environmental Health Hazard Assessment (OEHHA) is the lead agency for the implementation of the Safe Drinking Water and Toxic Enforcement Act of 1986¹ (Proposition 65). OEHHA has screened candidate chemicals in a cancer tracking data base for evidence of cancer hazard as well as human exposure in California. The screening follows the procedure established in December 2004 and described in the OEHHA document "Process for Prioritizing Chemicals for Consideration under Proposition 65 by the State's Qualified Experts."

OEHHA has applied two data screens to roughly half the chemicals in a tracking database: a human data screen and an animal data screen. This screening approach was discussed at the November 17, 2007 and November 5, 2008 meetings of the Carcinogen Identification Committee (CIC). The CIC is comprised of the state's qualified experts for carcinogenicity for implementing Proposition 65.

OEHHA subjected the chemicals passing the screens to a preliminary toxicological evaluation, as described in the 2004 OEHHA document. As a result of this preliminary evaluation, OEHHA identified the 38 chemicals listed below for possible preparation of hazard identification materials. At its next meeting — on Friday, May 29, 2009 — the CIC will provide OEHHA with advice on the prioritization of these chemicals for possible preparation of hazard identification materials. Based on the CIC's advice, OEHHA will select chemicals for preparation of Hazard Identification Materials. These materials will be used by the CIC at future meetings to decide which chemicals to add to the Proposition 65 list. No listing decisions will be made concerning these chemicals at the May 29 meeting.

- 2–Amino–5–nitrothiazole
- 11–Aminoundecanoic acid
- Amphetamine and its salts
- Anthanthrene
- Aspartame
- Benoxacor
- 2–Chloro–1,1,1–trifluoroethane
- D&C Yellow#11
- 1,3–Dichloro–2–propanol
- Dicofol
- Diethanolamine (DEA)
- N,N–Diethylthiourea
- Diisononyl phthalate (DINP)

¹ Health and Safety Code section 25249.5 et seq.

- 2,6–Dimethyl–n–nitrosomorpholine
- 1,3–Dinitropyrene
- Ethynodiol diacetate
- Fluoride and its salts
- Haloperidol
- Hydroquinone
- Methoxychlor
- Methyl ethyl ketoxime
- Molybdenum trioxide
- 3–Monochloropropane–1,2–diol (3–MCPD)
- 3–Nitrofluoranthene
- Nitrofurantoin
- N–Nitrosoanabasine
- N-Nitrosohexamethyleneimine
- 5–Nitro–*o*–toluidine
- Perfluorooctanoic acid and its salts and transformation and degradation precursors
- Permethrin
- Rock wool
- Tetrachlorvinphos
- Thiamethoxam
- Triamterene
- Triclosan
- Tris(1,3-dichloro-2-propyl) phosphate
- Triethanolamine (TEA)
- Vinylidene chloride

This notice marks the start of a 60–day public comment period. The comment period ends May 5, 2009. Interested parties may provide comment on the extent of the scientific evidence pertaining to the selection of any of these chemicals for possible preparation of hazard identification materials. OEHHA will forward the comments to the CIC members prior to their meeting.

The CIC meeting will be held in the Sierra Hearing Room of the California Environmental Protection Agency headquarters building located at 1001 I Street, Sacramento. The meeting will begin at 10:00 a.m. and will last until all business is conducted. The agenda for the meeting will be provided in a future public notice published in advance of the meeting.

Copies of the summaries of available scientific information on the chemicals and related attachments are available on OEHHA's web site at http://www.oehha.ca.gov/prop65.html, or may be requested by calling (916) 445–6900. It is requested, but not required, that written comments and supporting documentation be transmitted via email addressed to coshita@oehha.ca.gov. Comments may also be delivered in triplicate in person or by courier to:

Cynthia Oshita

Office of Environmental Health Hazard Assessment Proposition 65 Implementation

P.O. Box 4010

1001 I Street, 19th floor

Sacramento, California 95812-4010

FAX (916) 323-8803

In order to be considered by the CIC Members, written comments must be received at OEHHA by 5:00 p.m. on Tuesday, May 5, 2009.

DECISION NOT TO PROCEED

OCCUPATIONAL SAFETY AND HEALTH STANDARDS BOARD

NOTICE OF DECISION NOT TO PROCEED

Pursuant to Government Code Section 11347, the Occupational Safety and Health Standards Board of the State of California decided not to proceed with Title 8, General Industry Safety Orders, Chapter 4, Subchapter 7, Article 7, Section 3328, Machinery and Equipment—Definition of Equipment, (Notice File No. Z–2008–0819–08, published August 29, 2008, in the California Notice Register 2008, No. 35–Z, page 1512); and therefore, withdraws this proposed action.

SUSPENSION OF ACTION REGARDING UNDERGROUND REGULATIONS

OFFICE OF ADMINISTRATIVE LAW

SUSPENSION OF ACTION REGARDING UNDERGROUND REGULATIONS

(Pursuant to Title 1, section 280, of the California Code of Regulations)

On January 26, 2009, The Office of Administrative Law (OAL) received a petition challenging Clinical Evaluator Handbook and Standardized Assessment Protocol (November 2008) issued by the Department of Mental Health as an alleged underground regulation.

On February 18, 2009, Department of Mental Health certified to the OAL that the Clinical Evaluator Handbook and Standardized Assessment Protocol had been

rescinded; therefore, pursuant to Title 1, section 280 of the California Code of Regulations, OAL must suspend all action on this petition.

DEPARTMENT OF MENTAL HEALTH

CERTIFICATION PURSUANT TO 1 CCR 280

- I, Cynthia A. Radavsky, Deputy Director of Long Term Care Services, California Department of Mental Health (Department), hereby certify:
- The Department received on or about January 26, 2009, a copy of a petition by Mr. Michael St. Martin that was dated January 20, 2009, and was addressed to the California Office of Administrative Law. A copy of the petition is attached hereto as Exhibit A.
- 2. The Department will not issue, use, enforce, or attempt to enforce the alleged underground regulation, the Department's Clinical Evaluator Handbook and Standardized Assessment Protocol November 2008.
- 3. A copy of the certification was sent to the petitioner by certified mail, and a copy of the receipt is attached hereto as Exhibit B.

/s/ Dated 2–18–09

Cynthia A. Radavsky Deputy Director Long Term Care Services California Department of Mental Health

PETITION TO THE OFFICE OF ADMINISTRATIVE LAW

RE: ALLEGED UNDERGROUND REGULATION

FROM: MICHAEL GEORGE ST. MARTIN,

Petitioner

DATE: January 20, 2009

This is a computer generated petition based on the optional OAL form supplying the information required by Title 1, California Code of Regulations, §280, for a petition challenging an alleged underground regulation.

1. Identifying Information: Petitioner

Your Name: MICHAEL GEORGE ST. MARTIN

CO-000414-3, RRU-10

Your Address: P.O. Box 5003, Coalinga, CA 93210

Your Telephone

Number: (559) 935–3814 or (559) 934–1634

Your E-Mail

(if you have one) michaelst.martin@hotmail.com

2. State Agency or Department being challenged:

California Department of Mental Health ("DMH")

3. Provide a complete description of the purported underground regulation. Attach a written copy of it. If the purported underground regulation is found in an agency manual, identify the specific provision of the manual alleged to comprise the underground regulation. Please be as precise as possible.

Description of alleged Underground Regulation

The DMH issued the *CLINICAL EVALUATOR HANDBOOK AND STANDARDIZED AS-SESSMENT PROTOCOL* (November 2008) (hereinafter "*Protocol*") without following the requirements of the Administrative Procedures Act. The DMH has revised this Protocol several times, most recently in November 2008. The covers of all editions, including the 2008 revision are identical except for the date and contain the following:

SEX OFFENDER COMMITMENT PROGRAM (SOCP) WIC 6600 (SEXUALLY VIOLENT PREDATOR)

CLINICAL EVALUATOR HANDBOOK AND STANDARDIZED ASSESSMENT PROTOCOL NOVEMBER 2008

California Department of Mental Health Sacramento, California

The Protocol (2008) is a 40–page manual, with several additional pages of appendices. Welfare & Institutions Code section 6601(c) requires that persons are evaluated in accordance with a standardized assessment protocol. The Protocol being challenged by this petition is the "standardized assessment protocol" required by section 6601(c). The Protocol thus creates a mandatory instruction, criterion, or manual, which is a Standard of General Application utilized for the entire class of persons subject to Civil Commitment under the SVPA Statute. Furthermore, the Protocol is replete with references to the Sexually Violent Predator Act and thus the Protocol implements, interprets, or makes specific the SVPA.

Petitioner alleges the entire Protocol is an underground regulation, as there is no evidence that any portion of this mandatory directive has been promulgated pursuant to the Administrative Procedures Act.

A true and correct copy of the Clinical Evaluator Handbook and Standardized Assessment Protocol (2008) is attached hereto as EXHIBIT A.

THE CLINICAL EVALUATOR HANDBOOK AND STANDARDIZED ASSESSMENT PROTOCOL (2008)

IS A REGULATION WITHIN THE MEANING OF THE APA

Welfare & Institutions Code section 6601(c) requires the Director of the Department of Mental Health (DMH) to develop a standardized assessment protocol for evaluations of persons considered for commitment pursuant to the Sexually Violent Predator Act (SVPA):

"(c) The State Department of Mental Health shall evaluate the person in accordance with a standardized assessment protocol, developed and updated by the State Department of Mental Health, to determine whether the person is a sexually violent predator . . . The Standardized assessment protocol shall require assessment of diagnosable mental disorders, as well as various factors known to be associated with the risk of reoffense among sex offenders. Risk factors to be considered shall include criminal and psychosexual history, type, degree, and duration of sexual deviance, and severity of mental disorder."

Thus in 1996, the California Department of Mental Health was instructed by the California Legislature to develop and update a standardized assessment protocol. However, the Department has failed or refused to adopt, in substantive compliance with the Administrative Procedures Act, any version of their *Clinical Evaluator Handbook and Standardized Assessment Protocol* upon which Psychological Evaluations for persons considered for Civil Commitment must be based.

In fact, on August 15, 2008, the Office of Administrative Law issued 2008 OAL Determination No. 19 (OAL FILE # CTU 2008–0129–01), which declared the *Clinical Evaluator Handbook and Standardized Assessment Protocol* (2007) to be an underground regulation that must be promulgated pursuant to the Administrative Procedures Act.

The Department of Mental Health has simply revised the *Clinical Evaluator Handbook and Standardized Assessment Protocol* (2007) and reissued it as the *Clinical Evaluator Handbook and Standardized Assessment Protocol* (2008) without promulgating it pursuant to the Administrative Procedures Act.

The Department of Mental Health cannot reasonably claim any version of the *Clinical Evaluator Handbook*

and Standardized Assessment Protocol is not subject to the Administrative Procedures Act because OAL Determination No. 19 has previously determined that the Protocol is subject to the APA, and the DMH did not challenge this determination in a court of law.

The Department of Mental Health has, from the date of its issue, thumbed its nose at the Governors *EXECUTIVE ORDER S*–2–03, 11/17/2003, that required all State agencies to promulgate their regulations pursuant to the Administrative Procedures Act.

Notwithstanding the fact that the Department of Mental Health knew and understood that prior to implementation, or revision thereof, the Department was required to adopt the *Protocol*, or any revision thereof pursuant to the Administrative Procedures Act, the DMH nevertheless failed to do so, and thus, pursuant to the law the current *Protocol* being utilized is also invalid and an "Underground Regulation."

The November 2008 revision of the *Protocol* contains updates related to Proposition 83, also known as Jessica's Law; insignificant grammar and readability improvements; and, a few changes in the order of presentation of topics.

In reference to the statement, "WIC Section 6601(c) requires that a person referred from CDCR be evaluated in accordance with a standardized assessment protocol," which is contained in both the 2007 and 2008 versions of the *Protocol*. The November 2008 revision of the *Protocol*, at page 2, no longer contains the statement, "This clinical evaluator handbook is the centerpiece of that protocol."

Petitioner alleges that the Department of Mental Health cannot have it both ways: the Clinical Evaluator Handbook and Standardized Assessment Protocol (2008) is either the "standardized assessment protocol" required by WIC section 6601(c), or it is not. If the Clinical Evaluator Handbook and Standardized Assessment Protocol (2008) is the "standardized assessment protocol" required by WIC section 660(c), then its implementation or revision must be promulgated pursuant to the APA. If the Clinical Evaluator Handbook and Standardized Assessment Protocol (2008) is not the "standardized assessment protocol" required by WIC section 6601(c), then the Department of Mental Health is doing all of its clinical evaluations in violation of the Sexually Violent Predator Act, because these evaluations are being done without the required "standardized assessment protocol."

Clinical Evaluator Handbook and Standardized Assessment Protocol (2008) contains numerous language changes where the word "must" as used in the 2007 Protocol now reads "should" in the 2008 Protocol. However, the word "should" is used in a manner that infers it is meant to be mandatory.

The section of the *Clinical Evaluator Handbook and Standardized Assessment Protocol* (2008), beginning at page 13, is now entitled "SUGGESTED CLINICAL EVALUATION PROTOCOL." The word "SUGGESTED" was added to this revision. Here, the DMH has attempted, through a word game slight—of—hand, to make this section appear to be not mandatory. However, the actual language of that section has few if any changes. It still contains mandatory language, e.g., "will," "shall," and "must."

The replacement of unquestionably mandatory words such as "shall," "will," "or must" with words such as "suggested," "encouraged," "recommended," "strongly recommended" or "should," when taken in the context used in the *Clinical Evaluator Handbook and Standardized Assessment Protocol (2008)* is simply a pretext by the DMH to avoid promulgating the *Clinical Evaluator Handbook and Standardized Assessment Protocol (2008)* as a regulation.

Any reasonable person who is employed by another, whether it be by direct employment or by contract, fully understands that when his employer issues any type of guideline, manual or verbal instruction, which contain directions on how to perform a specific job function, that the use of words like "suggested," "should," "encouraged," "recommended," or "strongly recommended" are meant to be mandatory. Any reasonable employee or contractor knows full well that to not do exactly as "suggested," "encouraged to," or "recommended that" by his or her boss will most likely result in discipline or termination.

In the case of the DMH Contract Evaluator Panel, doing exactly what is "suggested," "encouraged," "recommended," or "strongly recommended" is just what keeps them active on the panel. Some of these Panel Evaluators have earned well over one million dollars per year by doing exactly what the DMH "suggested," "encouraged," "recommended," or "strongly recommended."

A true and correct copy of the *Panel members and amount of pay (2007)* is attached hereto as EXHIBIT B.

Other Panel Evaluators have been removed for a failure to do exactly what was suggested, encouraged, recommended, or strongly recommended by the DMH. Thus in the context of the *Clinical Evaluator Handbook and Standardized Assessment Protocol (2008)*, the words "should", "suggested," "encouraged," "recommended," or "strongly recommended" or are mandatory.

A true and correct copy of the

PARTIAL LIST OF SVP EVALUATOR PANEL MEMBERS WHO WERE DISCHARGED FOR ALLEGEDLY NOT FOLLOWING "GUIDELINES"

is attached hereto as EXHIBIT C.

Thus, even though those former evaluators on the attached list were discharged prior to the issuing of the 2008 *Protocol*, the message has been clear to the remaining Panel evaluators from the very beginning: the *Clinical Evaluator Handbook and Standardized Assessment Protocol* (2008), and any verbal guidance received where "encouraged" by the Protocol to consult with the DMH, are meant to be mandatory, and those who do not follow the suggestions, recommendations, and encouragements contained therein are subject to dismissal.

Petitioner alleges that the revisions contained in the *Clinical Evaluator Handbook and Standardized Assessment Protocol* (2008) do not change the fact that it is a regulation within the meaning of the APA and must be promulgated.

Though the Director may prescribe rules and regulations such as the mandated protocol of section 6601(c), they must be promulgated and filed per Chapter 3.5 of art. 1 of Division 3 of Title 2 of the Administrative Procedures Act, government Code, section 11340 et seq. There is no evidence that DMH has promulgated the *Clinical Evaluator Handbook and Standardized Assessment Protocol* (2008) pursuant to the APA.

The *Protocol* is a regulation. Chapter 3.5, article 5, of the Administrative Procedure Act, Govt. Code sections 11346 et seq., governs adoption, amendment and repeal of regulations by administrative agencies known as rulemaking. Govt. Code section 11342.600 provides that:

"[A regulation is] every rule, regulation, order, or standard of general application or the amendment, supplement, or revision of any rule, regulation, order, or standard adopted by any state agency to implement, interpret or make specific the law enforced or administered by it or to govern its procedure."

Syngenta Crop Protection, Inc. V. Helliker (2d Dist. 2006) 138 Cal.App. 4th 1135, 1175–77, 42 Cal.Rptr.3d 191, 221–222, quotes *Tidewater Marine Western, Inc. v. Bradshaw* (1996) 14 Cal. 4th 557, 59 Cal.Rptr.2d 186, which explains:

"[The APA] establishes 'minimum procedural requirements' for rulemaking. ([Govt. C.] § 11346(a).) The agency must provide notice of the proposed action (Id. §§ 11346.4, 11346.5), the

complete text of the proposal (§ 11346.2(a)), and an initial statement of reasons for the proposal (§ 11346.2(b)), and a final statement of reasons (§ 11346.9(a)). The agency must provide a public hearing if an interested person timely requests a hearing (§ 11346.8(a)), provide an opportunity for interested persons to submit written comments if no hearing is held (ibid.), and respond in writing to comments in the final statement of reasons (\S 11346.9(a)(3)). The agency must submit the entire rulemaking file to the Office of Administrative Law (§§ 11347.3(c), 11342.550), which reviews the regulation for compliance with the law and other criteria and approves or disapproves the regulatory action. (§§ 11349.1, 11349.3 . . ." (14 Cal. 4th 557, 59 Cal.Rptr.2d

"No state agency shall issue, utilize, enforce, or attempt to enforce any guideline, criterion, bulletin, manual, instruction, order, standard of general application, or other rule, which is a regulation as defined in Section 11342.600, unless the guideline, criterion, bulletin, manual, instruction, order, standard of general application, or other rule has been adopted as a regulation and filed with the Secretary of State pursuant to this chapter." (Govt. Code § 11340.5(a).)"

"A substantial failure to comply with chapter 3.5 of the APA renders the regulation invalid. § 11350(a); *Tidewater Marine Western, Inc. v. Bradshaw, supra*, 14 Cal. 4th at 576, 59 Cal.Rptr.2d 186.)"

"A regulation subject to the APA thus has two principal identifying characteristics. First, the agency must intend its rule to apply generally, rather than in a specific case. The rule need not, however, apply universally; a rule applies generally so long as it declares how a certain class of cases will be decided . . . Second, the rule must 'implement, interpret, or make specific, the law enforced or administered by [the agency], or . . . govern [the agency's] procedure.' ([Former] Govt. Code § 11342(g) [now § 11342.601].) Of course, interpretations that arise in the course of case-specific adjudication are not regulations, though they may be persuasive as precedents in similar subsequent cases . . . Similarly, agencies may provide private parties with advice letters, which are not subject to the rulemaking provisions of the APA. ([Former] Govt Code § 11343(a)(3), 11346.1(a) [now § 11340.9(I)].) Thus, if an

agency prepares a policy manual that is no more than a summary, without commentary, of the agency's prior decisions in specific cases and its prior advice letters, the agency is not adopting regulations . . . A policy manual of this kind would of course be no more binding on the agency in subsequent agency proceedings or on the courts when reviewing agency proceedings than are the decisions and advice letters that it summarizes." (Emphasis added.) (*Tidewater Marine Western, Inc. v. Bradshaw, supra*, 14 Cal. 4th at 571, 59 Cal.Rptr.2d 186.)"

Morning Star Co. v. State Bd. Of Equalization (2006), 38 Cal, 4th 324, 333–334, 42 Cal.Rptr.3d 47, 53–54, confirms the Syngenta/Tidewater analysis, especially that a regulation must be intended to apply generally, and that it must implement, interpret or make specific the law administered by the agency, or govern the agency's procedure.

The *Protocol* is a regulation, it is applied to all persons proposed or adjudicated to be SVPs in California. It declares how this certain class of cases will be decided. Its use by all state evaluators is mandatory. They must prepare the reports which are utilized to support their professional opinions that the person examined is an SVP pursuant to the *Protocol*. Thus the mandate the *Protocol* implements, enforces or otherwise makes specific is the language of the Sexually Violent Predators Act (SVPA). The following excerpts from the *Protocol* mandate specific actions by either the DMH, its employees, or contractors that affect he taxpayers of California, and make clear that the *Clinical Evaluator Handbook and Standardized Assessment Protocol* (2008) is a regulation:

- "Evaluator Panel," (page 2) "In the event that an Evaluator is sued for conduct within their scope of work under the contracts with the DMH, DMH will make a request that the State Attorney General's Office provide legal representation."
 - This mandates DMH employees to request the State Attorney General's Office to provide legal representation to contractors at taxpayer expense. Many of whom make in excess of a million dollars per year.
- "Suggested Clinical Evaluation Protocol," pp. 13–33. In the title itself, the word "suggested" is added. As alleged *anti* by petitioner, this does not change the mandatory inference and intent of everything contained within this section. This section is replete with detailed mandatory

instructions in every facet of the clinical evaluation.

With the exception of a few additions, rearranging of order, and updating of references, the basic language and procedure being mandated remains mostly unchanged from the 2007 *Protocol* declared an underground regulation on August 15, 2008, in 2008 OAL, Determination No. 19 (OAL FILE # CTU 2008–0129–01).

3. **Protocol** (page 36) "Since the person has been committed as an SVP by the court for 'appropriate treatment' (Welf. & Inst. Code § 6604), the department believes that a person must finish the program, including the completion of a period of outpatient supervision. Only under rather unusual circumstances would a patient being evaluated for SVP commitment extension be deemed unlikely to commit future sexually violent acts as a result of a mental disorder, if all five phases of treatment have not been completed. If this is the case, the evaluator is encouraged to consult with the department on their conclusion."

This language is unchanged except for one word from the 2007 *Protocol* declared an underground regulation on August 15, 2008, in *2008 OAL Determination No. 19* (OAL FILE # CTU 2008–0129–01). The word "required," in the last sentence, was changed to "encouraged." As used in the context of the *Protocol*, the word "encouraged" is meant to be mandatory.

This is a mandated determination that the person meets the SVPA criteria if he has not completed all five phases of treatment — a determination that is for the jury to decide. This mandated determination is in direct conflict with the controlling statute's requirement that, "The court or jury shall determine whether, beyond a reasonable doubt, the person is a sexually violent predator." (Welf & Inst. Code § 6604.) Such a mandate also violates the guarantee of Due Process Under the Laws of both the California and Untied States Constitutions.

Throughout the *Protocol*, the words "Must" and "Required" are used repeatedly. When used in the language of the *Protocol* they create a mandatory instruction, criterion, or manual, which is a standard of general application utilized for the entire class of persons subject to civil commitment under the SVPA. Furthermore, the *Protocol* is replete with references to the SVPA, thus the *Protocol* implements, interprets, or makes specific the SVPA. Therefore the Protocol is a regulation, and one

which has not been adopted in compliance with the APA.

4. Provide a description of the agency actions you believe demonstrate that it has issued, used, enforced, or attempted to enforce the purported underground regulation.

WIC §6601(c) mandated DMH to develop and update the *Clinical Evaluator Handbook and Standardized Assessment Protocol*. Over the years, the DMH published and released several revisions of this handbook. WIC §6601(c) infers its use is mandatory when conducting SVP evaluations. The current version is used statewide by all State Evaluators when conducting SVP evaluations. Its existence and use are not in controversy.

The DMH has taken the firm position that the *Clinical Evaluator Handbook and Standardized Assessment Protocol* (2008) is not a regulation subject to the provisions of the APA.

Petitioner alleges that the *Clinical Evaluator Hand-book and Standardized Assessment Protocol* (2008) is a regulation within the meaning of the APA.

5. State the legal basis for believing that the guideline, criterion, bulletin, provision in a manual, instruction, order, standard of general application, or other rule or procedure is a regulation as defined in Section 11342.600 of the Government Code that no express statutory exemption to the requirements of the APA is applicable.

NO EXCEPTION EXCLUDES THE *PROTOCOL* FROM THE APA PROCEDURES.

Clearly inapplicable are the provisions of Govt. Code § 11340.9 excluding:

- "(d) A regulation that relates only to the internal management of the state agency . . ." $\,$
- "(f) A regulation that embodies the only legally tenable interpretation of a provision of law. . ."
- "(1) A regulation that is directed to a specifically named person or to a group of persons and does not apply generally throughout the state."

Armistead v. Slate Personnel Bd. (1978) 22 Cal.3d 198, 204–205, 149 Cal.Rptr. 1, 4 quoting from the First Report of the Senate Interim Committee on Administrative Regulations to the 1955 Legislature, documents the necessity for strict adherence to the APA. The court found this necessary so as to prevent state agencies from avoiding obedience to the APA by denominating rules as "'policies,' 'interpretations,' 'instructions,' 'guides,' 'standards,' or the like," and by containing them "in internal organs of the agency such as manuals, memoranda, bulletins, or [directing them] to the public in the form of circulars or bulletins."

Armistead underlined that "[Rules that interpret and implement other rules have no legal effect unless they have been promulgated in substantial compliance with the APA" (emphasis added), thus provision of state personnel transactions manual governing withdrawal of resignation by state employee merited no weight as agency interpretation where such provision had not been duly promulgated and published.

The *Protocol* in question here fits the above description perfectly. It is called a "SUGGESTED CLINICAL EVALUATION PROTOCOL," but it contains mandatory language making it much more than a simple "SUGGESTED CLINICAL EVALUATION PROTOCOL." Instead, it is a forbidden underground regulation without its adoption pursuant to the Administrative Procedures Act.

THE PROTOCOL APPLIES GENERALLY THROUGHOUT THE STATE

Modesto City Schools v. Education Audits Appeal Panel, (3d Dist. 2004) 123 Cal.App. 4th 1365, 1381, 20 Cal.Rptr.3d 831, 842, holds that to be deemed an underground regulation, which would be invalid because it was not adopted in substantial compliance with the procedures of the APA, the agency must intend it to apply generally rather than in a specific case, and the agency must adopt it to implement, interpret, or make specific the law enforced by the agency.

Kings Rehabilitation Center, Inc. V. Premo, (3rd Dist. 1999) 69 Cal.App. 4th 215, 217, 81 Cal.Rptr.2d 406, notes:

"The APA is partly designed to eliminate the use of 'underground' regulations; rules which only the government knows about. If a policy or procedure falls within the definition of a regulation within the meaning of the APA, the promulgating agency must comply with the procedures for formalizing such regulations, which include public notice and approval by the Office of Administrative Law (OAL). Failure to comply with the APA nullifies the rule. (Govt Code § 11350(a); *Armistead v. State Personnel Bd.* (1978) 22 Cal.3d 198, 204, 149 Cal.Rptr. 1,4") (Emphasis added.)

The *Protocol* is neither intended nor utilized to make specific determinations but is utilized generally throughout the state when performing all SVP evaluations. Thus, the *Protocol* is a regulation that must be promulgated as a regulation but otherwise is a null and void underground regulation.

6. Provide information demonstrating that the petition raises an issue of considerable public importance requiring prompt resolution.

The Legislature passed the Administrative Procedures Act with the intent that all State Agencies would

follow that law. The Governor issued EXECUTIVE ORDER S-2-03, 11/17/2003, ordering all State agencies to promulgate their regulations pursuant to the Administrative Procedures Act. The Department of Mental Health became aware on August 15, 2008, following 2008 OAL Determination No. 19 declaring the previous edition of the Protocol to be an underground regulation, and that the *Protocol* and any future revisions must be promulgated. Yet the DMH refused and failed to do so, instead issuing the November 2008 revision without making any attempt to promulgate. The irony of this is the DMH is using the **Protocol** to involuntarily commitment citizens of California because they might commit a crime in the future. The reality is that the Administration of the DMH is actually committing crimes in the present by refusing and failing to follow existing laws. This is a classic example of the bureaucratic tyranny warned of in *Tidewater* and *Morning Star*.

Morning Star reiterates, "[2] These requirements promote the APA's goals of bureaucratic responsiveness and public engagement in agency rulemaking. 'One purpose of the APA is to ensure that those persons or entities whom a regulation will affect have a voice in its creation [citation], as well as notice of the law's requirements so that they can conform their conduct accordingly [citation]. The Legislature wisely perceived that the party subject to regulation is often in the best position, and has the greatest incentive, to inform the agency about possible unintended consequences of a proposed regulation. Moreover, public participation in the regulatory process directs the attention of agency policymakers to the public they serve, thus providing some security against bureaucratic tyranny. [Citation,]' [132 P.3d 255] (*Tidewater, supra*, 14 Cal.4th at pp. 568–569, 59 Cal.Rptr.2d 186, 927 P.2d 296,)" (Morning Star Co. v. State Bd. Of Equalization (2006), 38 Cal. 4th 324, 333, 42 Cal.Rptr.3d 47, 53.)

An entire class of citizens face a potential life term of incarceration based on evaluations performed under the mandate of this alleged underground regulation. Every citizen has an interest based upon the fundamental American principles of justice and freedom to have every law, rule, regulation, policy, procedure, guideline, criterion, bulletin, manual, instruction, order, or standard used in any procedure which could aid to deprive any citizen of his liberty to be legally promulgated prior to its implementation.

Many psychologists are complaining that the *Protocol*, particularly in the section beginning at page 19, "B. Does the inmate have a diagnosed mental disorder that predisposes the person to the commission of criminal sexual acts? (Yes/No)," contains misstatements regarding proper use of the *Diagnostic and Statistical Manual of Mental Disorders—Fourth Edition—Text Revision (DSM–IV–TR)*. They claim this section

contains a major flaw in reasoning. That, among other things, it states that the *DSM-IV TR* diagnosis can be used to determine volitional impairment and serious difficulty controlling behavior. That wherever contained in the *Protocol*, the term "volitional" is improperly used.

Ethical psychologists claim the *Protocol*, as written, contains numerous passages that are poorly written, resulting in professional and ethical concerns. This conflict between the language of the *Protocol* and the very profession required to follow the mandates of the *Protocol* illustrates the need for promulgation of the *Protocol*, and the need for input from members of the Psychological Community during the promulgation process.

CONCLUSION

Clearly, both those who may receive a life—time commitment following psychological evaluations performed pursuant to the *Clinical Evaluator Handbook and Standardized Assessment Protocol (2008)*, and members of the psychological profession believe the Protocol meets neither the mandate of the SVPA nor professional and ethical standards of the psychological and psychiatric communities. Thus, public participation in the regulatory process is needed to halt the bureaucratic tyranny of the Department of Mental Health.

"Moreover, public participation in the regulatory process directs the attention of agency policymakers to the public they serve, thus providing some security against bureaucratic tyranny. [Citation.]' [132 P.3d 255] (*Tidewater, supra*, 14 Cal.4th at pp. 568–569, 59 Cal.Rptr.2d 186, 927 P.2d 296.)" (*Morning Star Co. v. State Bd. Of Equalization* (2006), 38 Cal.4th 324, 333, 42 Cal.Rptr.3d 47, 53.)

The DMH, part of the Executive Branch, lacks Constitutional authority to enact legislation. The Legislature has granted state agencies and departments quasilegislative powers through the APA providing they follow specific promulgation procedures. However, until and unless the DMH does follow the provisions of the APA to properly promulgate *The Clinical Evaluator Handbook and Standardized Assessment Protocol*, it is an underground regulation which has been implemented in violation of the Separation of Powers Clause, Article III, Section 3, of the California Constitution.

To allow the DMH to continue to utilize such a controversial handbook, such as the *Protocol*, would be to allow the sort of unfettered power in the Executive Branch that is a step toward a totalitarian concentration of power in the executive; a power to be exercised with inadequate legislative standard, and capable of avoid-

ing judicial review such as this has been prohibited from the earliest times. See Hayburn's Case, (1792) 2 U.S. (Dall.) 408, 1 L.Ed. 436, and its progeny.

Based on the foregoing, it is clear that there is a need for public participation in the regulatory process which directs the attention of agency policymakers to the public they serve, and to ensure that those persons or entities whom a regulation will affect have a voice in its creation.

8. Certifications:

I certify that I have submitted a copy of this petition and all attachments to:

Stephen W. Mayberg, Ph.D., Director California Department of Metal Health 1600 9th St., Suite 151 Sacramento, CA 95814 (916) 654–2413 / (916) 654–2309

I certify that all the above information is true and correct to the best of my knowledge.

/s/ MICHAEL GEORGE ST. MARTIN PETITIONER

January 20, 2009 Date

AVAILABILITY OF INDEX OF PRECEDENTIAL DECISIONS

CALIFORNIA GAMBLING CONTROL COMMISSION

NOTICE OF AVAILABILITY OF PRECEDENTIAL DECISIONS AND DECISION INDEX

Re: Government Code section 11425.60, subdivision (c).

NOTICE IS HEREBY GIVEN that the California Gambling Control Commission (Commission), pursuant to the requirements of section 11425.60 of the Government Code, maintains an index of precedential decisions. The index is available to the public by annual e-mail subscription from the Commission. The index and the text of the precedential decisions can be viewed, by appointment, at the Commission's office below. For subscription or additional information, or to schedule an appointment to view precedent decisions, the Commission may be contacted as follows:

Herb Bolz, Senior Legal Counsel

Legal Division

California Gambling Control Commission

2399 Gateway Oaks Drive, Suite 220

Sacramento, California 95833-4231

Telephone: (916) 263–0490 Facsimile: (916) 263–0499 Email: hbolz@cgcc.ca.gov

The index and text of the precedent decisions also can be viewed on the Internet at http://www.cgcc.ca.gov/ enabling.asp, under the section entitled "Precedential Decisions."

SUMMARY OF REGULATORY ACTIONS

REGULATIONS FILED WITH SECRETARY OF STATE

This Summary of Regulatory Actions lists regulations filed with the Secretary of State on the dates indicated. Copies of the regulations may be obtained by contacting the agency or from the Secretary of State, Archives, 1020 O Street, Sacramento, CA 95814, (916) 653–7715. Please have the agency name and the date filed (see below) when making a request.

File#2009-0109-01 BOARD OF FORESTRY AND FIRE PROTECTION Form Date Change, 2009

This Change without Regulatory Effect changes the form revision date references to three timber harvesting forms in sections 1038 and 1052 to reflect various nonsubstantive changes made to those forms.

Title 14

California Code of Regulations

AMEND: 1038, 1052 Filed 02/25/2009 Agency Contact:

Christopher Zimny

(916) 653–9418

File#2009-0126-02

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

Farm Loans

This rulemaking amends sections of Title 10 of the California Code of Regulations to allow for a master credit agreement, in lieu a series of promissory notes, between the Business Transportation and Housing Agency and Financial Development Corporations for purposes of administering the Small Business Loan Guarantee Program. The rulemaking makes conform-

ing and terminology changes to implement this change. It also raises the interest rate cap on loans to farm borrowers from three to four percent over prime and repeals a regulation regarding a special reserve fund that has not been funded in the past nor will be in the future.

Title 10

California Code of Regulations

AMEND: 5000, 5110, 5111, 5112, 5113, 5114,

5116,5117 REPEAL:5119

Filed 02/19/2009 Effective 02/19/2009

Agency Contact: Glenn Stober (916) 323–5400

File#2009-0102-01

CALIFORNIA INTEGRATED WASTE

MANAGEMENT BOARD

Gas Monitoring and Control Compliance Deadlines

Existing section 20921 of title 27 of the California Code of Regulations contains compliance deadlines for active disposal sites to fully implement a landfill gas monitoring and control program. This regulatory action adjusts the compliance deadlines to provide additional time.

Title 27

California Code of Regulations

AMEND: 20921 Filed 02/18/2009 Effective 02/18/2009

Agency Contact: Robert Holmes (916) 341–6376

File#2009-0107-04

CALIFORNIA POLLUTION CONTROL

FINANCING AUTHORITY

CALReUSE

This is the certificate of compliance to make permanent the prior emergency regulatory actions (OAL file 2008-1114-05EE; 2008-0815-02EE; 2008–0219–01ER) that modified and expanded the California Recycle Underutilized Sites Program (CAL-ReUSE). These regulations were in response to SB 86 (Stats. 2007, ch. 179; eff. 8/24/2007) which established the brownfield cleanup financing program. The assessment program funds inspection of contaminated sites, and the remediation program funds remediation of brownfields to be used for housing development, especially low income. The modified site assessment program expanded the sites eligible for funding, established a priority system for sites, lowered the interest rate, increased the loan amounts, etc. The regulations for the remediation program included definitions, grant and loan eligibility, application process, loan review approval, loan terms and disbursement, loan repayment procedures, reporting requirements, strategic partner eligibility and selection criteria, application scoring criteria, and targeted counties.

Title 4

California Code of Regulations

ADOPT: 8102, 8102.1, 8102.2, 8102.3, 8102.5, 8102.6, 8102.7, 8102.8, 8102.9, 8102.11, 8102.12, 8102.13, 8102.14, 8102.15 AMEND: 8090, 8091, 8092, 8093, 8094, 8095, 8096, 8097, 8098, 8099, 8100, 8101 REPEAL: 8102.10

Effective 02/23/2009

Agency Contact: Deana Carrillo (916)657 - 5051

File# 2009-0106-03

DEPARTMENT OF FOOD AND AGRICULTURE Light Brown Apple Moth Interior Quarantine

This is the certification of compliance for five amendments to the geographical area quarantined to prevent the spread of the light brown apple moth filed on an emergency basis during the period from 7/11/2008 through 8/26/2008.

Title 3

California Code of Regulations

AMEND: 3434(b) Filed 02/19/2009 Agency Contact:

Stephen S. Brown

(916) 654–1017

File#2009-0109-02

DEPARTMENT OF INSURANCE

Workers' Compensation Pure Premium Rates

This action amends the California Workers' Compensation Uniform Statistical Reporting Plan — 1995 and the California Workers' Compensation Experience Rating Plan — 1995, incorporated by reference in title 10, California Code of Regulations, sections 2318.6 and 2353.1. The updates to each rate plan are effective January 1, 2009.

Title 10

California Code of Regulations

AMEND: 2318.6, 2353.1 Filed 02/23/2009

Effective 01/01/2009

Agency Contact:

Christopher A. Citko (415) 538–4010

File#2009-0107-01

DEPARTMENT OF INSURANCE

Low Cost Auto. Plan of Operations

The purpose of this rulemaking is to update the California Low Cost Automobile Insurance Plan of Operations to make it consistent with existing rules and policies. Many of the changes are non-substantive and include removing the reference to "counties which have been designated operational" since the plan is now operational statewide. One of the more substantive changes is a requirement that producers establish and maintain a trust account for the purpose of issuing producer or agency checks.

Title 10

California Code of Regulations

AMEND: 2498.6 Filed 02/23/2009

Effective 03/25/2009

Agency Contact:

Bryant W. Henley

(415) 538-4111

File#2009-0107-02

DEPARTMENT OF JUSTICE

Statewide Registry of Private Conservators, Guardians and Trustees

Department of Justice (Department) proposed this action without regulatory effect to repeal title 11, division 1, chapter 4.1 of the California Code of Regulations, the Department's regulations implementing the statewide registry of private conservators, guardians, and trustees pursuant to Probate Code sections 2850-2856. Probate Code section 2856 was amended by Stats. 2006, ch. 491, sec. 7 to repeal all statutory authority for the statewide registry effective 1/1/2009.

Title 11

California Code of Regulations

REPEAL: 313, 314, 315, 316, 317, 318, 319, 320,

321, 322, 323, 324, 325, 326, 327

Filed 02/18/2009

Agency Contact:

Dennis M. Eagan

(510)622-2156

File#2009-0116-01

DIVISION OF WORKERS COMPENSATION

Vocational Rehabilitation

This action repeals the vocational rehabilitation claim procedures and related forms that are filed through the vocational rehabilitation unit in DIR. These sections comprise all of Article 7 of Subchapter 1.5, Chapter 4.5, Division 1, Title 8 of the CCR. The statutory authority (Labor Code section 139.5) for these regulations was repealed on January 1, 2009.

Title 8

California Code of Regulations

REPEAL: 10116.4, 10122, 10122.1, 10123, 10123.2, 10123.3, 10124, 10124.1, 10125, 10125.1, 10125.2, 10125.3, 10126, 10127, 10127.1, 10127.2, 10127.3, 10128, 10129, 10129.1, 10130, 10131, 10131.1, 10131.2, 10132, 10132.1, 10133, 10133.2, 10133.4, 10133.10, 10133.11, 10133.12, 10133.13, 10133.16, 10133.14, 10133.15, 10133.17, 10133.18, 10133.19, 10133.20, 10133.21, 10133.22 Filed 02/25/2009

Agency Contact:

Destie Overpeck

(510) 286-7100

File#2009-0213-01

FISH AND GAME COMMISSION

Incidental Take of California Tiger Salamander During Candidacy

This emergency rulemaking authorizes the incidental taking of California Tiger Salamanders (CTS) during the species' one-year candidacy period for identification as a threatened or endangered species under the California Endangered Species Act. Under this rule, takings must be incidental to activities already authorized for taking pursuant to the federal Endangered Species Act, or incidental to already-negotiated lakebed or streambed alteration agreements, or incidental to routine and ongoing agricultural activities as defined in Title 14.

Title 14

California Code of Regulations

ADOPT: 749.4

Filed 02/23/2009

Effective 02/23/2009

Agency Contact:

Sherrie Fonbuena

(916) 654–9866

File#2009-0107-03

OCCUPATIONAL SAFETY AND HEALTH

STANDARDS BOARD

Replace Graphics

This is a nonsubstantive action replacing older graphics with newer, redrawn graphics to improve visual clarity and readability.

Title 8

California Code of Regulations

AMEND: 3664, 3732, 3737, 3944, 4186, 4307.1,

4345, 4353, 4354 Filed 02/18/2009

Agency Contact: Marley Hart (916) 274–5721

File#2009-0106-01

STATE WATER RESOURCES CONTROL BOARD Machado Lake Nutrient TMDL

This action is the State Water Resources Control Board's approval of the Los Angeles Regional Water Quality Control Board's adoption of Resolution R08-006 on May 1, 2008, which revised the Los Angeles Region Basin Plan by establishing a Total Maximum Daily Load (TMDL) for Eutrophic, Algae, Ammonia, and Odors (Nutrient) in Machado Lake.

Title 23

California Code of Regulations

ADOPT: 3939.35

Filed 02/19/2009

Effective 02/19/2009 Agency Contact: Nick Martorano (916) 341–5980

CCR CHANGES FILED WITH THE SECRETARY OF STATE WITHIN September 24, 2008 TO February 25, 2009

All regulatory actions filed by OAL during this period are listed below by California Code of Regulations titles, then by date filed with the Secretary of State, with the Manual of Policies and Procedures changes adopted by the Department of Social Services listed last. For further information on a particular file, contact the person listed in the Summary of Regulatory Actions section of the Notice Register published on the first Friday more than nine days after the date filed.

Title 1

01/20/09 AMEND: 260

01/20/09 AMEND: Appendix A, Std. Form 400

Title 2

02/17/09 AMEND: 51.3

02/02/09 AMEND: 18402, 18450.3

01/30/09 ADOPT: 18427.5

01/30/09 ADOPT: 18421.8, 18521.5 AMEND:

18401

01/27/09 AMEND: 2294

01/26/09 AMEND: 1859.104.1

01/21/09 ADOPT: 1859.184.1 AMEND: 1859.2,

1859.103, 1859.184

AMEND: div. 8, ch. 24, secs. 45100, 01/12/09

45127, 45128

01/08/09 ADOPT: 18420.1

01/08/09 ADOPT: 18944.3 AMEND: 18944.1

12/30/08 AMEND: 714

12/29/08 ADOPT: 2298

12/15/08 AMEND: 17463, 17470, 17519

12/09/08 ADOPT: 25100

12/08/08 **AMEND: 1700**

11/03/08 AMEND: 647.1, 647.2, 647.3, 647.20,

647.20.1, 647.21, 647.22, 647.23,

647.24, 647.25, 647.26, 647.30, 647.31, 647.32, 647.33, 647.35, 647.36, 648.1,

648.3, 648.5, 649.20, 649.21

10/31/08 AMEND: 18545, 18703.4, 18730,

18940.2, 18942.1, 18943

ADOPT: 18402.1 AMEND: 18427 10/31/08

10/22/08 ADOPT: 59600

10/21/08 ADOPT: 1859.41.1, 1859.42.1 AMEND:

1859.2, 1859.41, 1859.42, 1859.43, 1859.51, 1859.147, Form SAB 50-01,

Form SAB 50-03

ADOPT: 20120, 20121, 20122, 20123, 10/20/08

20124, 20125, 20126, 20127

Title 3

02/19/09 AMEND: 3434(b)

02/13/09 AMEND: 3406(b)

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8090, 8091, 8092, 8093, 8094, 8095,
 02/10/09
          AMEND: 3060.4(a)(1)(C)(1), 3652(k)
 02/05/09
           AMEND: 3434(b)
                                                               8096, 8097, 8098, 8099, 8100, 8101
           AMEND: 3406(b)
                                                               AMEND: 1505
 02/02/09
                                                     11/17/08
                                                     10/30/08
                                                               AMEND: 1606
 01/21/09
           ADOPT:
                       3591.22(a),
                                    3591.22(b),
           3591.22(c), 3591.22(d)
                                                     10/16/08
                                                               ADOPT: 12047, 12048, 12050, 12348
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           ADOPT:
                       3591.21(a),
                                    3591.21(b),
                                                               AMEND: 12002
                                                     10/03/08
                                                               ADOPT: 12008 AMEND: 12122,
           3591.21(c)
                                                               12200.14, 12200.20, 12202, 12203A,
 01/20/09
           REPEAL: 3664, 3665, 3666, 3667, 3668,
                                                               12203.2, 12205.1, 12218.13, 12220.14,
           3669
                                                               12220.20, 12220.20A, 12222, 12237,
           AMEND: 3434(b)
 01/14/09
                                                               12301, 12342, 12343, 12344, 12345
 01/13/09
           AMEND: 3434(b)
                                                     09/29/08
                                                               AMEND: 1843.2
 01/12/09
           AMEND: 3589(a)
 12/30/08 AMEND: 3417(b)
                                                   Title 5
 12/18/08
           AMEND: 3417(b)
                                                     02/17/09
                                                               AMEND: 80413, 80487
 12/18/08
          AMEND: 3406(b)
                                                     02/04/09
                                                               ADOPT: 9800, 9810, 9820, 9830
 12/16/08
           AMEND: 1358(b)
                                                     01/20/09
                                                               ADOPT: 9517.1
 12/12/08
           AMEND: 3434(b)
                                                     01/05/09
                                                               AMEND: 80004
 12/10/08
          AMEND: 3589
                                                     12/09/08
                                                               ADOPT: 18131.1 AMEND: 18131
 12/04/08
           AMEND: 3435(b)
                                                     11/06/08
                                                               AMEND: 42723
 11/26/08
           AMEND: 3406(b)
                                                     10/17/08
                                                               ADOPT: 100000,
                                                                                 100001,
                                                                                           100002,
 11/20/08
          ADOPT: 6400
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                                                                                           100006,
                                                               100003,
 11/12/08
           AMEND: 3591.5(a)
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                                                                        100008.
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                                                                                           100010.
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           AMEND: 3434(b)
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 11/07/08
           AMEND: 3433(b)
                                                               100015
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           ADOPT: 1430.142 AMEND: 1430.43
                                                     10/14/08
                                                               ADOPT: 42729
           REPEAL: 1430.44.5
                                                   Title 8
 10/29/08
           AMEND: 3435(b)
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                                                               REPEAL: 10116.4, 10122, 10122.1,
           ADOPT: 3408
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           AMEND: 3700(c)
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          AMEND: 3433(b)
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           AMEND: 3434(b)
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          AMEND: 3423(b)
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                                                               10129.1.
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           AMEND: 3433(b)
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                                                                                  10132.1,
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           AMEND: 3434(b)
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           AMEND: 3423(b)
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           AMEND: 3434(b)
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           AMEND: 810.1 REPEAL: 810
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 02/23/09
           ADOPT: 8102, 8102.1, 8102.2, 8102.3,
                                                     02/18/09
                                                               AMEND: 3664, 3732, 3737, 3944, 4186,
           8102.5, 8102.6, 8102.7, 8102.8, 8102.9,
                                                               4307.1, 4345, 4353, 4354
           8102.11, 8102.12, 8102.13, 8102.14,
                                                     02/13/09
                                                               AMEND: 3336, 3650, 3653
           8102.15 AMEND: 8090, 8091, 8092,
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                                                               AMEND: 3231, 3277, Appendix B
           8093, 8094, 8095, 8096, 8097, 8098,
                                                               Following Section 3299, Appendix A
           8099, 8100, 8101 REPEAL: 8102.10
                                                               following Section 3326, 3340, 3341,
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           ADOPT: 12362
                                                               3575, Appendices A, B, C, D, E, F, G
 02/11/09
           ADOPT: 8078.1 AMEND: 8070, 8072,
                                                               following Section 3583
           8076,8078
                                                               AMEND: 4994
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 01/13/09
           ADOPT: 4027, 4027.1, 4027.2, 4027.3,
                                                               AMEND: 4999
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           4027.4, 4027.5
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                                                               AMEND:
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                                                                                     В
                                                                                          following
 12/29/08
           AMEND: 12482
                                                               sections 1529, 5208, 8358
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           ADOPT: 8102, 8102.1, 8102.2, 8102.3,
                                                     01/15/09
                                                               AMEND: 2500.7
                                                               ADOPT: 29, 31.1, 31.3, 31.7, 32.6, 36.5,
           8102.4, 8102.5, 8102.6, 8102.7, 8102.8,
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           8102.9, 8102.10, 8102.11, 8102.12,
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           8102.13, 8102.14, 8102.15 AMEND:
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                                                               10846, 10848, 10850, 10860, 10865,
                                                               10866, 10946, 10950, 10953 REPEAL:
         41, 43, 44, 45, 46, 46, 1, 47, 49, 49, 2, 49, 4.
         49.6, 49.8, 49.9, 50, 51, 52, 54, 55, 56, 57,
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          116, 117, 118, 119, 150, 151, 152, 153,
                                                               10610, 10630, 10758, 10762, 10771,
          154, 155, 156, 157, 158, 159 REPEAL:
          10.5, 32.5, 37, 53, 70, 71, 72, 73, 74, 75,
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                                                              AMEND: 15600, 15601, 15602, 15603,
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                                       16435.5
          AMEND: 16421, 16422, 16423, 16424,
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                                                     11/06/08
                                                               AMEND: 2540.8, 2540.9, 2548.23,
          16431, 16432, 16434, 16435, 16436,
                                                               2719, 2740, 2741, 2880, 2980
          16437, 16439
                                                     10/01/08
                                                              AMEND: 3412, 3413, 3414, 3416
         AMEND: 2940.6, Appendix C
12/02/08
                                                   Title 9
12/01/08
         AMEND: 5198(f)(2)(A)
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                                                               ADOPT: 4000, 4005
11/19/08
         AMEND: 1658(p)
                                                    01/07/09
                                                               AMEND: 7400
11/17/08
         ADOPT: 10116, 10116.1, 10116.2,
                                                     11/18/08
                                                              ADOPT: 9550
          10116.3, 10116.5, 10116.6, 10116.7,
                                                   Title 10
          10116.8 AMEND: 10123.1 renumbered
                                                    02/23/09
                                                               AMEND: 2318.6, 2353.1
          to 10116.4, 10001 renumbered to
                                                    02/23/09
                                                               AMEND: 2498.6
          10116.9, 10002 renumbered to 10117,
                                                    02/19/09
                                                               AMEND: 5000, 5110, 5111, 5112, 5113,
          10003 renumbered to 10118, 10004
                                                               5114,5116,5117 REPEAL:5119
         renumbered to 10119, 10005 renumbered
                                                    02/05/09
                                                               ADOPT: 2308.1, 2308.2, 2308.3
         to 10120, 10123, 10127, 10127.1, 10128,
                                                    01/15/09
                                                               AMEND:
                                                                           2699.6707.
                                                                                         2699.6711.
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                                                               2699.6721,
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          10133.22,
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                                                               2699.6809
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                                                               AMEND:
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                                                               2698.201, 2698.206, 2698.300, 2698.301
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         ADOPT: 10210, 10211, 10212, 10213,
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                                                               AMEND: 2498.5
          10214, 10215, 10216, 10217, 10218,
                                                               ADOPT: 2194.50, 2194.51, 2194.52,
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          10222, 10223, 10225, 10227, 10228,
                                                               2194.53, 2194.54, 2194.55
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                                                               AMEND: 2652.1
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                                                               AMEND: 2498.4.9
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                                                              AMEND: 2498.4.9
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                                                               AMEND: 2498.5
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                                                              AMEND: 2498.5
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                                                               REPEAL: 313, 314, 315, 316, 317, 318,
                             10252.
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                 AMEND:
                                      10252.1
                                                               319, 320, 321, 322, 323, 324, 325, 326,
         REPEAL: 10250
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11/17/08
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                                                               ADOPT: 64.7
          10150.4, 10151, 10151.1, 10166.1
                                                    01/28/09
                                                               AMEND: 51.19
          AMEND: 10150, 10160,
                                     10160.1,
                                                     12/31/08
                                                               AMEND: 1005(d)
          10160.5, 10161, 10161.1, 10162, 10164,
                                                     12/02/08
                                                               AMEND: 1005, 1007, 1008
          10165, 10166, 10167 REPEAL: 10168
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                                                               AMEND: 1005, 1081
11/17/08
         ADOPT: 10397, 10403, 10409, 10508,
                                                     10/27/08
                                                               AMEND: 1005, 1007, 1008, 1052
          10550, 10593, 10603, 10629, 10770.5,
                                                     10/16/08
                                                               AMEND: 1081
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                                                               AMEND: 1005
          AMEND: 10301, 10302, 10324, 10346,
                                                     10/02/08
                                                               AMEND: 1003, 9040, 9041, 9073(b)
          10400, 10410, 10411, 10412, 10450,
                                                     10/02/08
                                                               AMEND: 1081
          10500, 10505, 10507, 10510, 10541,
          10561, 10589, 10608, 10616, 10626,
                                                   Title 12
          10750, 10751, 10753, 10754, 10755,
                                                    01/27/09 AMEND: 501
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01/12/09	AMEND: 503		1092.03, 1092.04, 1092.06, 1092.18,
Title 13			1104.3 REPEAL: 1032
02/05/09	ADOPT: 20.05 AMEND: 20.04	12/11/08	AMEND: Division 5, Appendix M
02/05/09	AMEND: 25.08	12/10/08	ADOPT: 120.1, 120.2 AMEND: 120,
01/20/09	AMEND: 2700, 2701, 2702, 2703, 2704,	11/26/09	120.3 REPEAL: 120.01
	2705, 2706, 2708, 2709, 2710	11/26/08 11/24/08	AMEND: 1257 AMEND: 749.3
12/22/08	AMEND: 553.70	11/24/08	ADOPT: 18660.40
	AMEND: 110.04	11/07/08	AMEND: 895.1,919.9,939.9
12/01/08	AMEND: 1956.8	11/07/08	AMEND: 1038(i)
11/24/08	ADOPT: 2027	11/07/08	AMEND: 895.1, 898, 914.8, 916, 916.2,
11/03/08	AMEND: 25.06, 25.07, 25.08, 25.09, 25.10, 25.14, 25.15, 25.16, 25.17, 25.18	11/0//00	916.9, 916.11, 916.12, 923.3, 923.9,
	25.10, 25.14, 25.15, 25.16, 25.17, 25.18, 25.19, 25.20, 25.21, 25.22		934.8, 936, 936.2, 936.9, 936.11, 936.12,
10/20/08	ADOPT: 346.00, 346.02, 346.04, 346.06,		943.3, 943.9, 954.8, 956, 956.2, 956.9,
10/20/00	346.08, 346.10, 346.12, 346.14, 346.16		956.11,956.12,963.3,963
10/07/08	AMEND: 935	10/30/08	AMEND: 29.85
10/02/08	AMEND: 423.00	10/23/08	AMEND: 163, 164
10/02/08	AMEND: 15.00, 15.03	10/22/08	AMEND: 1052.4
Title 13, 17		10/21/08	AMEND: 15387 Appendix C
12/03/08	AMEND: 2299.3, 93118.3	10/09/08	AMEND: 791, 791.7, 795
10/20/08	ADOPT: 2299.5, 93118.5	Title 15	
	112011.2277.3,73110.3	02/05/09	ADOPT: 3077, 3077.1, 3077.2, 3077.3,
Title 14 02/25/09	AMEND: 1038, 1052		3077.4 AMEND: 3000, 3043.6, 3375
02/23/09	ADOPT: 749.4	02/02/09	ADOPT: 1800, 1806, 1812, 1814, 1830,
01/28/09	AMEND: 701		1831, 1840, 1847, 1848, 1849, 1850,
01/23/09	AMEND: 300		1851, 1852, 1853, 1854, 1856, 1857,
01/12/09	ADOPT: 4970.00, 4970.01, 4970.02,		1860, 1866, 1867, 1868, 1870, 1872,
01/12/02	4970.03, 4970.04, 4970.05, 4970.06.1,	10/10/00	1876, 1878, 1888, 1890, 1892
	4970.06.2, 4970.06.3, 4970.07,	12/19/08	REPEAL: 4826, 4985
	4970.07.1, 4970.07.2, 4970.08, 4970.09,	12/16/08	ADOPT: 3099
	4970.10, 4970.10.1, 4970.10.2,	12/15/08	ADOPT: 3334 AMEND: 3000
	4970.10.3, 4970.10.4, 4970.11, 4970.12,	12/11/08 12/09/08	AMEND: 3323 AMEND: 3000, 3001, 3041.3, 3075.3,
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	4970.14.3, 4970.15, 4970.15.1,		3382, 3383, 3393, 3401, 3402, 3405,
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	4970.19.4, 4970.19.5, 4970.19.6, 4970.20, 4970.21, 4970.22, 4970.23,		1731, 1740, 1747, 1747.5, 1748, 1749,
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